

17 OCT 1972

## South Yemen faces imperialist gang-up

By TOM FOLEY

The People's Democratic Republic of Yemen (South Yemen) is now under attack by an alliance of imperialists and Arab reactionaries. At the end of September, border fighting erupted between North and South Yemen in the al-Dali border sheikhdom, about 60 miles north of Aden.

While South Yemen has appealed for a ceasefire and Arab League mediation, North Yemen does not want any neutral observers poking around its border town of Qa'taba, to see what is going on.

Ali Nasser Mohammed, Premier of South Yemen, has charged that Saudi Arabia paid, organized and armed a large force of South Yemeni exiles in North Yemen, who crossed the border and precipitated the fighting; he said those killed by South Yemen's armed forces were carrying brand-new U.S.-made weapons and ammunition.

### British role

At the same time, South Yemen reported (and Agence France Presse has confirmed) British troop movements on its eastern frontier with Oman.

Oman in fact is a British colony; about 135 British military officers run the so-called Sultan's Armed Forces and are backed up by the big British air and naval base on Masira Island off the Omani coast. Oil was struck in

Oman in 1964 and since then the British have dug in for dear life. The Arab League has refused to recognize Oman as an independent country.

In Dhofar, the western part of Oman which shares a border with South Yemen, an anti-British liberation movement controls about half the territory. The British are convinced that the Dhofar liberation movement is being aided by South Yemen and would do anything to stop it.

### Reactionary lineup

The lineup of forces against South Yemen thus is: the U.S., Britain, Saudi Arabia, North Yemen, and various South Yemeni feudal and reactionary elements. The latter include large numbers of Aulaqi tribesmen dismissed from the South Yemen armed forces and the ex-ruler of South Yemen's, Beihan province, Sharif Hussein al-Habibi.

Beihan, about 180 miles northeast of Aden, is in a strategic location, right on the North-South Yemen border, and also on the dividing-line between the desert to the northeast and the mountains to the west.

Since North Yemen's eastern border with Saudi Arabia is undefined, a Saudi "funnel" goes right through to Beihan.

Sharif Hussein of Beihan fled to Saudi Arabia in 1967; since he is a Hashemite, he claims family ties with King Hussein of Jordan. And he claims also the sympathies of North Yemen's royalists, whom he supported all during the civil war with arms and supplies from Saudi Arabia.

Last March, while South Yemen's National Front Organization (NFO) held its Fifth Congress in Aden and resolved to carry through a thorough-going agrarian revolution to smash feudalism, Sharif Hussein and his followers, armed with U.S. weapons supplied by Saudi Arabia, showed up in Beihan and tried to start a revolt. The attempt failed miserably, no doubt because North Yemen could not be relied on. But since North Yemen re-established diplomatic relations with the U.S. on July 2, all sorts of intriguing possibilities have opened up.

U.S. aid programs, prior to 1967, had been concentrated in the southern part of North Yemen next to the South Yemen border. The U.S. announced on July 14 the resumption of all aid projects, which had been run by the Agency for International Development in front for the Central Intelligence Agency in many countries.

No doubt AID did have a reasonable pretext to survey the area south and east of the city of Ta'izz if it chose to, and this is where the fighting broke out at the end of September.

There is no lack of possible villains in this situation. In fact, they are all together, like a flock of vultures hovering over South Yemen while it is struggling to build a democratic worker-peasant state. It's time we began showing we can stick together too, to keep freedom alive on part of the Arabian Peninsula.

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By: Dan Siegel

By the way, Young also happens to be chairman of the Asia Society!

His Introduction rambles on about "professional advisors" a while longer and then finally mentions "specific subjects" SEADAG will study: Development Administration, Education and Manpower, Mekong Development, Political Development, Regional Development, Rural Development, Urban Development and — nota bene — the Problems of Development Under Conditions of Insurgency, which means how to foist a capitalistic game plan on people who hate capitalism.

"Clearly," the Penn students wrote, "one of the imperatives behind the formation of SEADAG was that money would be available from the Federal Government," thus enabling Penn scholars to go ahead with their research without having to worry about the rent. "It is noteworthy," the students point out, that Young chairs both SEADAG and the Council on Foreign Relations which helps Nixon formulate foreign policy. Obviously, the Penn scientists' thoughts are fathered by the wishes of Washington, not the needs of future Vietnamese.

One more anagram is relevant here, although the ubiquitous Central Intelligence Agency's (CIA) ties to USAID are almost common knowledge by now. In an interview with Dan Blackburn of Metro-media News, Dr. John Hannah, director of USAID, was asked: "Doctor, how do you respond to complaints that the AID Program is being used as a cover for CIA operations in Laos?"

"Well," said Dr. Hannah, "I just have to admit that that is true. This was a decision that was made back in 1962 and by administration from now until then (sic), and it is the only place in the world that we are."

Hannah was lying through his teeth about Laos being the only country in the

world where USAID fronts for the CIA, but his admission suffices to prove that Penn counts the CIA as one of its patrons of higher learning.

Moreover, Young's Introduction states flatly that USAID has "the final veto power on every SEADAG grant," exercising the following criteria:

- "Projects should be related to areas of AID geographic concern. Priority will be given to projects involving or relevant to the Philippines, Thailand, Laos, Indonesia, Vietnam and Korea...

- "Priority will be given to projects which are relevant to AID programs, activities and planning.

- "Projects will be considered as to their sensitivity to local political situations." (My emphasis — D.S.)

STATINTL

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 ST. LOUIS POST-DISPATCH  
 30 July 1972

## Denounces AID Link With CIA

By WILLIAM K. WYANT JR.  
 A Washington Correspondent  
 of the Post-Dispatch

WASHINGTON, July 29--Senator Stuart Symington (Dem.), Missouri, denounced Saturday the Agency for International Development's involvement in Laos with the Central Intelligence Agency.

"The activities and funds of these two agencies in Laos are now so mixed," he said, "that it must be impossible for Lao officials to know whether they are dealing with AID or with the CIA."

Symington, chairman of the Senate foreign relations subcommittee on security agreements and commitments abroad, made the statement in a preface he wrote for a declassified version of hearings over which he presided last April 13.

He criticized the Executive Branch of the government for making extensive deletions in the hearing record, made public Saturday. He said the deletions were made "on alleged grounds of security."

The hearing transcript was scissored so severely, Symington said, that his panel was at first reluctant to make public what remained. However, it was decided that the report would add to information available about Laos.

Roderic L. O'Connor, co-ordinator of AID's bureau for supporting assistance, appeared before the subcommittee in response to a letter Symington wrote March 21 to John A. Hannah, administrator of the Agency for International Development.

Symington's letter had asked Hannah a series of questions about the relationship in Laos between AID, which administers foreign assistance, and the CIA, which finances irregular troops fighting Communists.

In a separate statement issued Saturday with the censored but now declassified hearing record, the Missouri Senator said the facts now coming out "raise serious questions about the legality of some United States expenditures in Laos . . ."

The facts also disclose, Symington said, "a pattern of deviousness, if not actual deception, which has characterized the conduct of our policy in Laos for the last decade."

O'Connor told the subcommittee that AID was not now financing, and never had financed, military or intelligence operations in Laos, as such. He conceded that AID's assistance had helped the royal Lao government carry its defense burden.

In fiscal 1972, the witness said, the CIA is reimbursing AID in the amount of \$2,500,000 for medical services and supplies for paramilitary forces or their dependents in Laos.

O'Connor said AID supplied certain services in the health and humanitarian fields for "anybody in Laos who is ill, sick, or wounded."

DES MOINES, IOWA  
REGISTERSTATINTL  
JUL 29 1972  
M - 250,261  
S - 515,710

## Food for War

When the United States provides food commodities as a form of economic assistance to a poor country, it insists on proof that the food really is used as economic assistance. Normally, the foreign government sells the wheat, rice, beans or other food commodity and puts the money in a special fund. The U.S. government insists on a voice in how this fund is spent.

It is ironical that a considerable portion of these "counterpart funds" under the Food for Peace program have been and are being used for military and war purposes. It's legal: The authority to use some of the money in this way is provided for in the Food for Peace law. Permission to devote the money to the armed forces is granted by U.S. officials in each case.

This sounds like a sneaky deception to use contributions for "peace" as fuel for war. A White House report recently showed that \$78 million went into the South Vietnam war budget last year under the Food for Peace program. Food for Peace money also has been used for military purposes in South Korea, Cambodia, Spain, Turkey, Greece and Taiwan.

Since Food for Peace was enacted in 1954, nearly \$2 billion of the total \$13 billion of food aid has been spent on "common defense" arrangements.

In the clouds of deception surrounding military aid and economic aid, this use of Food for Peace money for war is a minor item. Hundreds of millions of dollars have been spent by the Central Intelligence Agency (CIA) for various kinds of military activity, for example, without any accounting to the public. Economic aid in South Vietnam has

been as much a part of the war effort there as so-called military aid.

It is this mixing up of programs designed to help poor people with programs designed to build up foreign armies and fight wars that has given all foreign aid a bad name in recent years. Senator J. William Fulbright (Dem., Ark.), chairman of the Senate Foreign Relations Committee, believes that our entangling foreign aid programs helped get us in the Indochina war and might do so elsewhere.

One of the reforms in foreign policy that needs to be undertaken by Congress is the establishment of foreign aid for economic development and humanitarian purposes entirely separate from any military connection. If the United States needs to provide some countries with military equipment and with military advice and training, that program ought to be locked up in a separate package. The people running that program ought to have no connection with any program of economic aid, whether in direct food form or something else.

The "common defense" money made available through Food for Peace has been handled by the Department of Defense and the State Department's Agency for International Development. Naturally, the military voice dominates, and these resources called Food for Peace become merely military aid.

The very least Congress can do about this problem is to label expenditures for foreign assistance for what they really are. Permitting money appropriated for Food for Peace to be used for military purposes is another example of the kind of deception which has caused a loss of public confidence in the government.

*BEST COPY*  
*Available*

27 JUN 1972

## Politics vs. economic needs

# What should determine

## U.S. foreign aid?

By Lucia Mouat  
Staff correspondent of  
The Christian Science Monitor

Washington

Should politics rather than economic need govern the distribution of U.S. foreign aid?

Even politicians say "no" but only in theory. In practice, political motives can often be found.

Liberals become furious when aid is continued, sometimes over the objection of legislation they have helped to pass, to such authoritarian regimes as Greece, Pakistan, and Brazil. They like it no better when the administration steps in on its own to seal the flow as it did last December when the President ordered a cut in aid to India for its entry into what is now Bangladesh.

Conservatives are often more concerned with the political aftermath of aid. They deplore the fact that the United States cannot seem to accomplish more in the way of democratic reforms in other governments or at the very least to extract some degree of allegiance or appreciation.

Sensitive case in point was the United Nations vote on Taiwan's ouster in which 40 recipients of U.S. aid were among the 76 who voted against the U.S. position.

As just desserts for what it sees as such arbitrary actions, Congress has imposed more than 70 restrictions on who is eligible to receive U.S. aid. Factors which can land a country in the taboo category vary from failing to cooperate in narcotics control to seizure of U.S. fishing vessels in what the United States recognizes as international waters.

### Warning from State

State Department experts warn that economic aid is simply not suited for short-term political goals. They say history offers no evidence that development dollars play much if any role at all in keeping down revolution and deterring communism or in encouraging democracy.

Communist Cuba and socialist Chile which together have taken in well over \$1 billion in U.S. aid, largely in loans, in the past years are cases in point.

Expecting recipients to follow U.S. leadership in making their foreign-policy decisions is part of the same mold.

"Political criteria aren't reasonable at all," says Maurice J. Williams, deputy administrator of AID, pointing out that many aided countries are newly independent, and all you need to do is get production up, bowing to U.S. pressures is not one of the attributes they need to succeed.

"In personal relations, friendship can be bought and if it can, it's often not worth it. Though a mutuality of interests may de-

velop, our purpose is not to have satellites, not to create a new colonialism."

### Long-range result

The only possible case for a political rub-off from an economic investment, experts say, is indirect and long range. Some suggest, for instance, that there may well be a correlation between the extensive U.S. aid given Korea's economy and educational system over the years, and the role of Korean intellectuals, thus exposed to the U.S. example, in forcing the resignation in 1960 of President Syngman Rhee whose government was considered by many to be both authoritarian and corrupt.

However, even when politics is laid aside in favor of strictly economic goals, problems persist.

One of the newer discoveries of development economists, which foreign aid critics have been quick to pick up, is the fact that the income gap between rich and poor in developing countries is widening rather than closing.

The result, as World Bank president Robert S. McNamara put it in a strong speech before the United Nations Conference on Trade and Development in Santiago this spring, is that while the national growth rates may be impressive, somehow the bottom half of the population is being left behind.

He said that the 10 percent in the lowest income category in India, for instance, is actually worse off, despite aid, than it was 20 years ago.

It is now generally agreed here that foreign aid in the past put too much emphasis on industrialization and economic growth and too little on the problems of income distribution and full employment in the labor-intensive developing countries.

Manufacturing has been growing at the rate of about 7 percent a year in these countries and industrial jobs at about half that rate. The international labor organization predicts that the combination unemployment and underemployment may reach an average of 30 percent in the developing countries by 1980.

The problem often is not so much a lack of shortage of food, for instance, as the lack of ability to buy it.

"People think because someone is hungry, all you need to do is get production up," says one AID staffer. "Hunger isn't a production problem. It's a distribution problem. It's more important that production technology be aimed at reducing costs than increasing yields."

In general AID officials are well aware of the problem and are shifting their thrust accordingly. Terms such as income redistribution and full employment crop up often in speeches given by Dr. John Hannah, AID administrator and one of the most enthusiastic aid proponents which the agency has ever had.

While the United States can exercise some direction in this area, often by its own example, the country in question must carefully choose the economic and social policies accompanying its growth for full effectiveness.

"There's always been disparity of income," says AID's Mr. Williams. "Every man can't step into the modern sector simultaneously. Every man didn't get a factory job at once in the days of the industrial revolution. It's what you do about it — your policies — that are important."

While virtually everyone agrees that the rich-poor gap must be narrowed, the division between critics is still sharp on another economic point: the degree to which the U.S. aid program helps or hurts the U.S. economy.

Paul Hoffman, long the head of the UN Development Program, is fond of saying that foreign aid is a misnomer. He argues that in view of the possibilities in creation of new jobs, adding to export earnings and national security, the term is more aptly mutual assistance.

### Church raps aid program

In his lengthy, much quoted speech on the Senate floor last October, Sen. Frank Church (D) of Idaho called the U.S. foreign-aid program "patently self serving" and charged it was a "spreading money tree under which the biggest American businesses find shelter."

He argues that U.S. interest in economic stability overseas is motivated primarily by Washington's wish to create a favorable climate for private investment and notes that with government insurance for such ventures, it is the American taxpayer who shoulders the burden.

AID officials find themselves somewhat torn on this point. To sell foreign aid to skeptical conservatives, they want to emphasize its potential in terms of new markets and trading partners. Yet the further they go, the more they draw fire on the same points from the Left. In compromise, they stress the need for such relatively innocuous facts as the high-payback rate and the 30 percent share of U.S. exports which al-

8 JUN 1972

# U.S. REPORT SAYS PAKISTAN SPENT AID FOR DEFENSES

**Congress Panel Is Told of  
Diversion of Relief Funds  
to Border Fortification**

By TAD SZULC

Special to The New York Times

WASHINGTON, June 7—The General Accounting Office has reported to Congress that most of a grant of about \$10-million made to Pakistan last fall for humanitarian relief was diverted for the construction of military defenses on what was then the East Pakistani border with India.

This grant was part of the total American emergency aid commitment of \$109.1-million made last year during the civil war in Pakistan's eastern wing, which subsequently became the independent republic of Bangladesh.

## 42-Page Report Compiled

But the General Accounting Office, which is the investigative agency of Congress, said in a report prepared for the Senate Subcommittee on Refugees, headed by Senator Edward M. Kennedy, that "most of this assistance, even though authorized," had not been "provided or scheduled for shipment."

A copy of the 42-page report, signed by the Controller General of the United States, Elmer B. Staats, was obtained today by The New York Times.

The General Accounting Office also asserted that the Pakistani Army seized for military use last year about 50 United States Army assault boats that had been provided in 1970 for relief to victims of a cyclone and tidal wave that struck East Pakistan. The report added that trucks and jeeps belonging to United Nations aid agencies had also been taken by the Pakistanis for the same purpose.

## Fund Transfer Reported

The Nixon Administration has said on several occasions in the last few months that the bulk of the over-all aid commitment for 1971 had been fulfilled. But the General Account-

ing Office, said that, besides the \$10-million, only about \$20-million in food and coastal and river vessels had been provided.

Administration sources here said today that the funds authorized last year for East Pakistani relief but not yet expended had been transferred to the 1972 assistance programs for Bangladesh. The total commitment to Bangladesh for 1972 is \$217-million.

The \$10-million that the General Accounting Office said was diverted for military fortifications had been intended to create employment through public works last year in what was then East Pakistan. The employment, it was said, was to provide people there with money to buy food that the United States had sold to the Pakistani Government on credit.

The General Accounting Office said that the money had been used instead for fortifications on the border, between East Pakistan and India in anticipation of the Indian-Pakistani war that broke out in November.

The report said that the Agency for International Development, which was in charge of the public works assistance, had said the project, financed by rupees owed by the United States in Pakistan, was designed to create employment through "repairing roads and embankments and cutting water plants that clogged rivers."

But the General Accounting Office said it had learned that "in one sector of East Pakistan approximately 5,000 to 6,000 laborers were engaged in military defense works—constructing and digging entrenchments, constructing embankments and carving bamboo punja stakes and other military-oriented work projects."

Under United States law, humanitarian aid may not be diverted for other uses. After the Pakistani Army began its crackdown on March 25, 1971, against the autonomy movement then under way in East Pakistan, the United States banned all new sales of military equipment to Pakistan.

## No Further Funds Given

The public works grant was made on Oct. 8, 1971, but the Government Accounting Office report said that "because most of the projects carried out under this grant included building defense works along the India-East Pakistan border, AID [the Agency for International Development] decided against considering further assistance."

Sources in the Accounting Office said today that the \$10-

million was fully used and that the question of further such assistance became, in effect, academic less than two months after the original grant because of the outbreak of the Indian-Pakistani war.

They said that it had been possible to examine at the United States Embassy in Islamabad the Pakistani capital, document pertaining to the diversion of relief funds for military construction.

In the report, the Government Accounting Office complained that "our review efforts were impeded by Department of State and Agency for International Development officials."

## Data Withheld, Report Says

The report said that these officials "withheld and summarized records prior to our access and thereby limited information needed for a complete and thorough report."

Senator Kennedy, recalling reports by the Government Accounting Office earlier this year on the Central Intelligence Agency's use for military activities of relief funds in Laos, said in a statement that the new findings "underscore the Administration's complicity in the repression of East Bengal, and its cosmetic concern for the millions who were unwilling pawns in our Government's policy of failure and shame."

STATINTL

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## CIA Given 'Cover' for Secret Operations

## AID Denies Laos Funds Used for War

By JOHN WALLACH

Sunday Advertiser Washington Bureau

WASHINGTON—Central Intelligence Agency (CIA) officials in Laos continue to masquerade as Agency for International Development (AID) employees in prosecuting the "secret war" against the Communist Pathet Lao and North Vietnamese troops, Charles Mann, director of the U.S. AID Mission in Laos, disclosed yesterday.

"AID has provided some CIA personnel with cover positions," Mann, director of the U. S., the end of a week of talks here before returning to Vientiane Sunday. "Let me hasten to add, however, that these personnel have absolutely and utterly no policy functions," he said.

"They have no responsibility whatsoever for the direction of AID programs," Mann also denied allegations, included in a report last month by the Senate Refugees subcommittee, that AID funds were still being misused to support training and resettlement of indigenous Meo tribesmen that make up the government armies.

"There are no funds that are appropriated to AID that are being used for military purposes," he said.

★

AID director John Hannah pledged almost exactly a year ago, in a letter to the subcommittee chairman, Sen. Edward Kennedy, that "at the beginning of fiscal year 1972, all of the AID financing with which you have been concerned will be terminated."

A new cost-sharing arrangement was created and the CIA refunded the State Department agency for its medical assistance and other services provided the secret Royal Laotian Army.

Under this arrangement, Kennedy's subcommittee charged, about \$2.5 million, or about half of the \$4.9 congressional appropriation for humanitarian aid in Laos, will be spent this year for the war against the Communists.

According to Mann, in addition providing "cover" for CIA agents working out of AID offices, CIA officials are still relying on AID for logistical and medical support.

★

He called the cost-sharing plan a "perfectly logical and sensible arrangement" and said that the charge that AID funds have been used to support CIA activities was "basically wrong."

"We have 200 field dispensaries," Mann explained. "Obviously, if a wounded soldier comes to a dispensary or if a dependent of a soldier or a civilian who might have stepped on a mine or unfortunately just been wounded comes to us, you're not going to ask 'My dear friend, are you a soldier or are you a dependent of a soldier?' Are you going to tell him that because you stepped on a mine, therefore I cannot treat you and God bless, good luck, go some place else where there is no medical care."

"For the last year, nobody has hidden the presence of the CIA in Laos and the involvement of the irregular troops fighting there," Mann said.

As far back as 1970, Hannah conceded to the Senate Foreign Relations Committee that since 1962 his agency had subsidized CIA activities in Laos and provided a front for secret agents, Mann explained.

But the issue, as framed by Kennedy, was the impossibility

of distinguishing between humanitarian and military aid in Laos when both agencies are involved in complementary roles and where soldier tribesmen are almost always accompanied by their families.

Mann also denied that Long Tieng, the base of CIA operations in Laos, had ever been overrun by the North Vietnamese, as reports indicated earlier this year.

Mann said that there had been hard fighting at this southernmost position but "the headquarters of Military Region Two was never abandoned." The AID director praised the government army and said that the holding of Long Tieng was proof of capable performance.

## AID Guise Still Used By CIA, Official Says

Central Intelligence Agency agents still operate in Laos under the guise of American foreign aid officials, according to the head of the U.S. Agency for International Development (AID) in Laos.

But he said no AID funds are going for military purposes.

Charles A. Mann, AID mission director in Laos since 1963, left for Vientiane yesterday after spending a week here in consultations. He said that AID supports the CIA in Laos "in a cost-sharing arrangement."

He made the remarks in an interview with UPI and Hearst newspaper reporters to be broadcast next Wednesday by

WAMU-FM, the American University station here.

Mann noted that AID administrator John A. Hannah testified to the Senate Foreign Relations Committee two years ago that since 1962, AID had subsidized CIA activities in Laos and provided a cover for CIA agents there.

After Sen. Edward M. Kennedy (D-Mass.), chairman of the Senate's Refugees Subcommittee, protested that AID funds were being misspent, Hannah informed him in a May, 1971, letter that "at the beginning of fiscal year 1972, all of the AID financing with which you have been concerned will be terminated."

STATINTL

CHARLESTON, W.VA.

GAZETTE

M - 63,294

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## CIA Latitude

### Flabbergasting

Fiscal conservatives and no-nonsense leaders such as the late Sen. Robert A. Taft would be utterly flabbergasted to learn that a free-wheeling agency within the United States government is permitted to spend untold millions in tax funds with only minimal accountability to Congress.

But that is precisely the case. The Central Intelligence Agency, which is waging its own war against undefined enemies in Laos, has a secret budget and a high disdain for the legislative branch of government.

Early in the year it was disclosed that funds voted the Agency for International Development have been diverted to the CIA for use in its Laotian war. The disclosure had the side effect of discrediting much of the fine work of AID in extending technical assistance to the people of other lands. Because of the apparent tie to the CIA, AID now operates in the same suspicious light that falls upon government-sponsored radio stations that are nothing more than CIA espionage tools.

There may be some relief from the excesses of America's best publicized secret agency. Sen. John Sherman Cooper, R-Ky., has offered a bill which would oblige the CIA to provide congressional committees dealing with foreign policy the same information and assessments it now releases only to the White House.

The CIA presently briefs Congress, but only when it has White House authorization to do so. It is an understandable suspicion, under the circumstances, that the CIA's machinations, usually involving the military and political affairs of other nations, are undertaken in giddy and irresponsible fashion. Most of us, given millions of dollars to play with, would be giddy and irresponsible.

Curiously, the CIA has never played a decisive role in any American diplomatic achievement. On the other hand, it has figured prominently in several embarrassments to the nation. It ought to be abolished. If congressional timidity prevents abolition, it should be restricted to certain well-defined work, with full accountability to Congress.

The people are rapidly losing their taste for the cloak-and-dagger shuldugery of Cold War diplomacy, and the Cooper bill might be a good means of getting this information to the CIA.

## CIAid

Senator Edward Kennedy released March 19 a "sanitized summary" of the third in a series of reports he had asked the General Accounting Office to write him on the effectiveness of US humanitarian aid to Southeast Asia. The summary, "sanitized" to purge secret information contained in the full report, deals primarily with medical aid to Laos through the Agency for International Development (AID). Unavoidably it stumbles on something that has long troubled Kennedy and his staff on the Senate refugees subcommittee: the slipperiness of federal budget statistics when they have anything to do with the Indochina war. Two years ago the Senate Foreign Relations Committee held hearings that publicized AID's link with the Central Intelligence Agency; AID's director, John Hannah, publicly admitted that since 1962 his agency had subsidized CIA activities in Laos and provided a front for secret agents.

As chairman of the refugees subcommittee, Kennedy protested that AID funds were being misspent, and in May 1971 he got a letter from Hannah saying that "at the beginning of fiscal year 1972, all of the AID financing with which you have been concerned will be terminated." As the latest GAO reports shows, the government had responded to an over literal interpretation of Kennedy's protest and had left the Laos arrangement virtually unchanged. The CIA would still train its secret army in Laos; it would still work out of AID offices and rely on AID for logistical and medical support. But beginning with the new fiscal year on July 1, 1971, the CIA would reimburse AID for services rendered. Technically, AID ceased to subsidize the CIA, but in every other way it remained a front and a supplier.

The GAO report given to Kennedy, a classified document, shows how this new system works. According to *The New York Times*, the report states that the CIA has already refunded \$1.3 million to AID for medical assistance during the first half of fiscal 1972, and that more than \$1 million will be refunded for the second half—a total of about \$2.5 million a year spent by AID on the CIA army in Laos. The conclusion is that either AID is overspending its budget to accommodate the CIA (which is unlikely), or that \$2.5 million originally appropriated for humanitarian aid is being diverted to back up the CIA's army. Only the bookkeepers know how the financing is arranged.

To a State Department spokesman, the whole issue is a "non-story" because this "cost-sharing agreement" between AID and the CIA was announced almost a year ago. Furthermore, he believes that it's nearly impossible to distinguish between humanitarian and military aid in Laos where the soldier-tribesmen are accompanied by their families. In any case, the spokesman says, the CIA's role in Laos is still true. When Congress appropriates a sum for humanitarian aid in Laos (\$4.9 million in 1972), about

half of it (\$2.5 million) goes to support the secret war. Judging from reports last week, the secret war may be coming to an end no matter what Congress does: the base of CIA operations in Laos, Long Cheng, has been abandoned by about 1000 local volunteers who were recruited to defend it against the North Vietnamese. A US spokesman in Vientiane said the situation at the base is "critical and rapidly deteriorating." If it falls, it will be the farthest south the Communists have reached in Laos.

## AID Head Queried On CIA Ties

By a Washington Correspondent  
of the Post-Dispatch

WASHINGTON, March 22 — Senator Stuart Symington (Dem.), Missouri, today pressed an inquiry into the relationship between the nation's economic assistance program in Laos and the activities of the Central Intelligence Agency and the Department of Defense there.

Symington invited John A. Hannah, administrator of the Agency for International Development, to testify at a closed session of Symington's Senate foreign relations subcommittee on United States security agreements and commitments abroad.

Through the subcommittee, Symington has been instrumental in the last three years in calling attention to the scope of United States-supported military operations in Laos.

Symington made public today a letter asking Hannah to appear before the panel. He framed eight questions for Hannah to answer. He asked that Hannah submit a statement to the subcommittee several days before appearing.

Symington asked Hannah what assurances he had given to Congress on the use of Hannah's agency "as a cover for CIA personnel and programs."

"In particular," Symington said with respect to what is going on in Laos, "how many personnel and what programs are involved; and what CIA funds are channeled through AID programs and by what methods?"

Symington strongly criticized American policies in Laos, Thailand and Cambodia March 1 in a letter to Senator J. William Fulbright (Dem.), Arkansas, chairman of the Foreign Relations Committee.

At that time, Symington said the Indochina war was increasing in intensity in Laos and Cambodia, even though it might be diminishing in South Vietnam.

The letter summed up a classified report made by James G. Lowenstein and Richard M. Moose of the Symington panel's staff. That report has not been made public.

A top AID official confirmed yesterday that U.S.-supported Laotian guerrilla fighters were receiving hospital treatment under an American humanitarian assistance program, but he denied that any aid went for combat operations of the CIA.

"I assure you no AID (Agency for International Development) funds are allocated for military purposes in Laos," a deputy AID administrator, Maurice J. Williams, told the House Foreign Affairs Committee.

Williams said he had not seen the General Accounting Office report that Senator Edward M. (Ted) Kennedy had said showed that AID funds were secretly financing CIA guerrilla fighter activities.

Kennedy (Dem.), Massachusetts, made the statement last weekend.

Williams testified: "We do not provide funds for these purposes. If a mistake has been made, it will be rectified."

Williams confirmed, however, the specific GAO finding, as summarized by Kennedy, that so-called military and paramilitary groups got hospital and health care under the AID program in Laos.

He said Laotian military personnel and their families got both medical treatment at six hospitals in Laos and food support under the AID program along with the rest of the Laotian population.

A staff member of Kennedy's Senate refugees subcommittee said Williams's admissions did not go to the Senate subcommittee's broader longstanding contention that AID funds went to such direct military purposes as support of Laotian guerrilla fighters and helicopter transportation for them.

STATINTL

## Misused Aid Funds

✓ Lack of confidence in America's foreign aid program has been evident in Congress and among the public for some time. This skepticism as to the uses to which such funds are put will be increased by a report from the General Accounting Office showing that nearly half of aid funds voted by Congress for relief of civilian war victims in Laos is being diverted to the Central Intelligence Agency for its secret guerrilla army activities in that country.

✓ Although the report has been classified secret, a summary of some of its contents was made public by Sen. Edward M. Kennedy, chairman of a Sen-

ate Judiciary subcommittee which requested the GAO investigation.

He said it indicates that about \$2.5 million a year of "public health funds" intended for Laos refugee help and administered by the Agency for International Development is going instead to the CIA for its "private army" operations.

While details of the operation are sketchy, it appears that the intent of Congress has been frustrated in order to satisfy aims of the CIA. The situation presents one more argument for greater congressional control over CIA activities. And it is one more addition to reasons for lack of congressional enthusiasm for the AID programs.

21 March 1972

## CIA'S hand is still in the till

Two years ago, the Senate Foreign Relations Committee learned that American foreign-aid funds were being used to pay for the Central Intelligence Agency's military operations in Laos. A few months later, Dr. John Hannah, administrator of the Agency for International Development, told an interviewer, "I have to admit that this is true." After repeated protests from senators over the use of AID funds by the CIA, however, Hannah wrote to Sen. Edward Kennedy that "effective at the beginning of fiscal year 1972, all of the AID financing with which you have been concerned will be terminated."

But it wasn't. According to a report by the General Accounting Office, the congressional investigating body, nearly half of the U.S. funds appropriated to help civilian victims of the war in Laos are still being diverted to the CIA's secret guerrilla army in that country. The report, a summary of which was made public by Kennedy

Saturday, showed that about \$2.5 million in public-health funds administered by AID are being diverted each year. Moreover, congressional sources indicated that another accounting-office report, expected later this month, will disclose that AID's refugee-assistance programs in Laos have also been diverted to military uses by the CIA.

Despite administration assurances to the contrary, then, the CIA still has its hand in the non-military foreign-aid till. Three explanations for that seem possible. One is that AID's administrator didn't know what was going on in his own agency. Another is that he deliberately misled the Senate. The third is that the administration, after Hannah's letter was written, decided to resume the financing of CIA military activities with AID funds, but didn't bother telling the Senate about it. In any case, some corrective measures are in order.

## CIA Uses Health Aid Funds For Combat Role In Laos

WASHINGTON, March 18 (AP). —American foreign aid health funds continue to be used secretly to finance a Central Intelligence Agency combat role in Laos even after officials promised the practice would be stopped, the General Accounting Office said in a report made public Saturday night.

The document was disclosed by Senator Edward M. Kennedy (Dem.) Massachusetts. It said that despite assurances to Kennedy's refugee subcommittee by John Hannah, administrator of the Agency for International Development, AID funds programmed for civilian war casualties and health care in Laos continued to be used to support military efforts.

Kennedy said much of the report was classified secret and that he was permitted to disclose only a heavily sanitized summary.

Even so, he said, the fact remains that "thousands of civilian war casualties in Laos are continuing to document a shadowy war in which the purpose and degree of American participation are still being kept from the American people."

"The escalating human toll throughout the area continues to be of too little concern to government, which bears a heavy responsibility for contributing to the tragedy," Kennedy said.

The report said, "There is virtually no indigenous medical capability in Laos to meet the immediate or long range public health needs of the general population or to treat casualties in war zones."

The GAO report said a Filipino charity called "Operation Brotherhood" ran virtually the only acceptable hospitals in the country.

The GAO said available data were not complete or reliable enough to allow it to reach any conclusions about the extent of war casualties in Laos.

It said that in a six-month period in 1971, war casualties treated at all U.S. AID-supported medical facilities averaged 1072 a month.

21 March 1972

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STATINTL

### *Peace Funds For War*

A new disclosure by Senator Edward M. Kennedy of the misuse of foreign aid funds in Laos provides more evidence that the Nixon Administration is determined to ignore the will of Congress on Indochina. Despite the fact that the Agency for International Development assured Senator Kennedy in writing last year that AID public health funds would not be used to subsidize the Central Intelligence Agency's guerrilla war in Laos, the General Accounting Office has found that the diversion of AID money for military purposes is still going on.

Meanwhile civilian casualties in Laos, for which the U.S. government is largely to blame and for which AID funds are supposed to be allocated, are being neglected. The GAO report to Senator Kennedy's judiciary subcommittee on refugees said: "There is virtually no indigenous medical capability in Laos to meet the immediate or long range public health needs of the general population or to treat casualties in war zones." Yet nearly half of the \$4,956,000 in AID funds intended for the relief of civilian war casualties in Laos in 1972 is still being diverted to the CIA's guerrilla war.

Since the CIA has already circumvented previous congressional attempts to cut financing of the secret war in Laos and since President Nixon has said he will not be bound by a congressional act calling on him to set a date for withdrawal from Vietnam, this latest evasion of a mandate from Congress is not surprising. It only adds one more item to the long record of deceit on the war. AID has now made its contribution to the credibility gap and become another agency that has fallen prey to the corrupting influence of an immoral war that has already thoroughly undermined American avowals of humanitarian purpose in Asia.

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# KENNEDY ASSERTS LAOS CIVIL FUNDS STILL GO TO C.I.A.

**Tells of a Secret Report  
That Practice Continues  
Despite Assurances**

**1971 PROMISE IS CITED**

**\$2.5-Million for War Relief  
Is Said to Be Diverted to  
a Clandestine Army**

**By TAD SZULC**

Special to The New York Times

WASHINGTON, March 18— Nearly half of the United States aid funds intended to help civilian victims of the war in Laos are still being diverted to the Central Intelligence Agency's clandestine guerrilla army despite the Nixon Administration's assurances last May that this practice would be halted, according to the General Accounting Office.

A summary of the secret report by the G.A.O., the Congressional investigating body, was made public today by Senator Edward M. Kennedy, Democrat of Massachusetts. The report was prepared at the request of his judiciary subcommittee on refugees.

Based on the report's figures, the diversion of public health funds, which are managed by the Agency for International Development, amounts to an estimated total of \$2.5-million a year.

**Another Report Expected**

Congressional sources said that another secret General Accounting Office report would disclose details on the continuing use of A.I.D.'s refugee-assistance programs in Laos by the intelligence agency for the guerrilla army, in addition to diversion of the public health funds.

The second report is expected to be presented later this month to the Kennedy committee by the accounting office.

The accounting office's report on the "civilian health" programs in Laos contains a chapter on "assistance to Lao military and paramilitary forces and their dependents." A summary provided by Senator Kennedy says that that section "is classified 'secret.'"

While the Kennedy summary reported no details on the relationship between the Agency for International Development, which administers foreign aid, and the Central Intelligence Agency, the Senator commented that "A.I.D. continued to furnish substantial amounts of medical support to Lao military et al." with "little or no control over the distribution and use of the medical support items."

Figures and other data of the G.A.O. report were made available to The New York Times today in Congressional quarters, and they showed that last month the intelligence agency refunded to the development agency \$1.3-million for medical assistance to clandestine army activity and related air support between last July 1 and Dec. 31.

**Refund Called a First**

It was reported that the accounting office estimated that these services by A.I.D. to the C.I.A. would be in excess of \$1-million between Jan. 1 and June 30, 1972, the second part of the 1972 fiscal year for which the over-all commitments were made.

The Kennedy committee estimates, therefore, that the present annual figure for the diversions of public health funds to the intelligence agency is about \$2.5-million.

Last month's payment by the C.I.A. to the other agency was, according to the accounting office, the first refund. The accounting office estimates that the nonreimbursed cost to A.I.D. for supporting the clandestine army's medical needs was about \$1.6-million each in the fiscal years 1970 and 1971.

These totals, however, were exclusive of air support for military medical aid under the international development agency's air technical support program. The accounting office

estimated that in each year, "\$500,000 to \$600,000 additional is also applicable to these projects for air transport of commodities and personnel."

As part of its over-all air program in Indochina, the Agency for International Development operates Air America and charters planes from commercial airlines. Earlier estimates by the accounting office had the C.I.A. providing about 70 per cent of the business for the air support program.

A comparison of the G.A.O. estimates with the development agency's public health obligations in Laos shows that about half the money is diverted for the guerrilla force of the intelligence agency.

The total A.I.D. commitment for public health programs in Laos in fiscal 1972 is \$4,956,000, and the accounting office assumes that nearly \$2.5-million will have been transferred to the intelligence agency.

**An Unlinked Project**

Medical support for the C.I.A.'s army is channeled by the development agency through the "Village Health Project," which is said to include two hospitals; numerous small dispensaries and a hospital functioning as a dispensary, all in rural areas.

The G.A.O. report said that the purpose of the "Village Health Project" must be classified "secret." But, elsewhere, accounting office documents stressed that the purpose was "to provide essential care to military and paramilitary groups, refugees and local village communities."

The development agency's other public health activity in Laos is the "Operation Brotherhood Project," which assists in the operation of hospitals in six urban areas. This has no known links to the intelligence agency.

Investigators in the accounting office were said to have found that under existing practice, A.I.D. functions in Laos as the medical arm for the guerrilla army, providing full medical logistic support on the ground and in the air.

C.I.A. use of the A.I.D. as a screen for military operations in Laos first came to public attention two years ago. On March 4, 1970, the Senate Foreign Relations Committee said that it had received confirmation from the intelligence agency of press reports concerning the use of the other agency as a cover.

On June 8, 1970, Dr. John A. Hannah, the A.I.D. administrator, said in a radio inter-

view that "I just have to admit that this is true" and said the link between had been established in 1962.

Today, Senator Kennedy said that, on May 7, 1971, following his protests over the use of aid funds by the intelligence agency, Dr. Hannah had written him that "I can report to you now that with one shift made early this year and others that will be effective at the beginning of fiscal year 1972, all of the A.I.D. financing with which you have been concerned will be terminated."

The accounting office reported, however, that under an "understanding" reached between the two agencies on Feb. 1, 1971, the C.I.A. had agreed "in principle" to assume certain costs of A.I.D. support for the clandestine army.

Hannah, John

## Laos, Still a Shadowy War

Over the past decade Americans may have known a bit more about events in Laos than in Timbuktu; but not by much. Laos was a place of mysterious activities and shadowy struggles, engaged in and waged by persons and groups of no clear identities. Laos was important, of course, because it was a "domino," in the years when the word was assumed to have some sort of sense, but the degree and character of its importance were explained to the American public but vaguely, if at all.

Now, we learn from a Michael Parks dispatch to *The Sun*, the long official secrecy about the war in

Laos is "going public"; in part. The partial publicity has been forced mainly by American congressional interest as to what expenditures come to in Laos and what the money was being used for, along with an AID requirement that none of that agency's funds go into Lao military assistance or for programs of the Central Intelligence Agency.

And so some facts are coming out, but others remain obscure. Mr. Parks has listed them as: The exact number of Thai "volunteers," or mercenaries, present there; just what the activities of some 100 mil-

itary attaches and an estimated 300 CIA "case officers" and "field technical representatives" amount to; the figures on American air combat; American involvement in Lao politics; the extent of thefts from American supplies and money.

What it adds up to, it seems to us, is a slight lifting of a veil that still leaves Laos shadowy and mysterious and that raises more insistently, rather than answers, the questions of just what our precise purpose is, or ever was, in a small country whose people have become increasingly unconsidered by all the combatants in the Indochina war.

STATINTL

## Laos's public secrets

# U.S. now tells the truth,

# but not all of it

By MICHAEL PARKS  
Sun Staff Correspondent

Vientiane, Laos—After a decade of official American secrecy, the war in Laos is going public.

United States Embassy officials here say that the broad outlines of the American involvement in the war with the Communist Pathet Lao and North Vietnamese are known now although many specifics still are classified.

Groups of newsmen have toured formerly top-secret bases with the chief U.S. intelligence agent as their guide.

### Open about raids

The frequent B-52 bomber raids over northern Laos now are acknowledged and their targets identified. A substantial part of the American war budget in Laos now is open to congressional and public scrutiny.

"Some people have gotten the feeling that the intensity of the war up here is increasing," says a senior American official. "Actually what is increasing is our visibility."

"We are just letting people know what is happening here. After all, the North Vietnamese war up here is increasing," says a senior American official. "After all, the North Vietnamese are the aggressors, not us."

A more cynical European diplomat takes a different view:

"The Americans have, it is true, told in general terms what they are doing. But they have revealed only 50 per cent of the facts, many of which were known anyway."

"They make the big points, they omit the details. Many of the details are important though."

Such details include:

1. The exact number of Thai mercenaries the United States is supporting in Laos, how they were recruited and what they are paid. The number reportedly is being doubled to 12,000.

Disclosing any information about the Thais, American officials here indicate, would lead to substantiated charges that the Nixon administration is violating a congressional ban on

the hiring of foreign mercenary troops.

2. The activities of the more than 100 military attaches and the estimated 300 "case officers" and "field technical representatives" the Central Intelligence Agency has here.

This information would provide proof for charges that the United States is violating the Geneva records that neutralized Laos and banned foreign military and paramilitary personnel.

3. The number of American fighter-bomber strikes and B-52 missions flown in northern Laos, which would show an increase in the number of B-52 raids and a 60 to 70 per cent decline in those by the smaller planes since 1970.

### Carrots, sticks

4. The inducements and threats the U.S. Embassy uses with various Laotian political factions to keep the "neutralist" government of Prince Souvanna Phouma, the premier, on an even keel as the country is devastated by a war that has increasingly less to do with the Lao.

5. The thefts of supplies and money by Lao officials from American aid programs, which the U.S. embassy ignores in order to keep good relations with the Vientiane government. The American hierarchy here and the Nixon administration in Washington may never address these points.

### A first accounting

But further details are expected to become public when the administration makes its first six-month accounting of expenditures under the Laotian war budget.

The accounting was ordered by Congress as part of legislation limiting American military and economic assistance to Laos to \$350 million in the 1972 fiscal year.

This represents a potential jump of \$65 million over last year. The limit does not include the cost of American bombing missions over Laos, which has been estimated at between \$1 billion and \$2 billion annually

The American establishment's increasing acknowledgment of U.S. activities here is attributable primarily to this budget limitation—"We have to account for everything we do now," one American officer complained—and to the preceding congressional debate and the Senate Foreign Relations Committee, which triggered the legislative interest.

But there are a number of indications that the current rate of spending here exceeds that allowed on an annual basis by Congress and that the Nixon administration, rather than seeking legislative approval for increased spending, will attempt to camouflage the higher costs through accounting gimmicks.

### Shuffling the count

"Washington just asked us how many bombs and bullets we used. They are figuring how much they cost," said a top U.S. official.

"The cost can be figured lots of ways. Do you include handling and transportation costs? Do you include development costs?"

"Do you include pay for the Thai volunteers in the Lao or the Thai aid budget? Do you include costs already in the budgets at the bases in Thailand? . . . I guess the answers depend on how much we spend."

Officials here say that the Nixon administration might seek a supplemental appropriation, but wants to avoid a congressional clash over the war in an election year.

American military-aid administrators in Laos, however, have exceeded their budgets almost every year, sometimes by almost 100 per cent.

Ironically, Congress's spending limitation is likely to result in more American air strikes in Laos, since the cost of bombs and fuel used in these missions are excluded from the \$350 million.

"What you are going to see, come April, May and June when the money runs short, is a lot of American pilots doing the job Lao pilots have been doing," says a U.S. Air Force officer stationed here.

### Laotians bitter

The budget limitation, called the Symington amendment after its sponsor, Senator Stuart Symington (D., Mo.), also has stirred bitterness among the Lao.

"I don't care if the Americans want to tell the whole world exactly what they are doing here, but we can't fight a war counting each bullet and bomb and rifle," said Sisouk Na Champassak, the acting Laotian defense minister.

American officials here are also under orders from the U.S. Agency for International Development, which runs the American foreign aid program, not to use any agency funds for Lao military assistance or for CIA programs.

Many of the recent disclosures here have been anti-climatic, simply official acknowledgements of what already was widely known.

When correspondents were flown to the headquarters of the Laotian irregulars at Long Cheng, described as the CIA's top-secret command post for years, they were disappointed to find most of the radio and electronic gear gone.

But American agents were seen wandering nonchalantly around directing air strikes—just as everyone knew they did.

A British correspondent taken up to the Plain of Jars to cover a government operation came back wondering why he had been barred from covering previous operations.

"Lord only knows what they thought they were hiding," he said.

Top U.S. officials here say they have ordered greater efforts to provide accurate and complete information about the military situation to corre-

25 FEB 1972

# In Laos, A.I.D. Marches On

By T. D. ALLMAN

VIENTIANE, Laos—Some time ago, I had my introduction to the self-perpetuating interregnum of suspended time, space and perception occupied by the United States Agency for International Development, and its sister agencies, Clandestine Client State Division, when I paid my first call on the genial, perennial A.I.D. director in Laos, Charles Mann.

His office then was located in a small, misleadingly ramshackle building in the Na Hai Diao Compound in suburban Vientiane. The compound is a self-contained cantonment which shelters, besides A.I.D. headquarters, the centers of the C.I.A. bombing and military advisory efforts in Laos, a swimming pool, supermarket, American bar and restaurant, movie theater, popcorn machine and microwave tower, all encased in a six-foot chain link fence and patrolled by units of the U.S. Embassy's 500-man strong, blue-uniformed private army.

The most noticeable thing, upon first visit, about the compound was that in a country where every house is open to catch the faintest breeze, each American building was sealed off, windowless. When the buildings did have windows, they were painted over in white, locked, barred and curtained from the inside.

In Mr. Mann's office, there were no windows at all, just a series of maps, displaying neat arrows, insignae, code keys and statistics showing the visitor exactly what was happening in Laos from the vantage point of A.I.D. activities to command.

Mann, whose ability to attune A.I.D. activities to the requirements of U.S. intervention had made him A.I.D. director in South Vietnam, Cambodia and the Congo, did not discuss his organization's activities as a front for the C.I.A. I had been told in advance.

However, his conversation — his talk, an explanation of how the U.S. supported the kip, the Laotian national currency, at a steady rate of 500 to the dollar was interesting enough. I was able to discern that the kip operation essentially consisted of exchanging annually \$20 to \$30 million for valueless kip, and burning the collected kip. The program acted as a straight-forward giveaway. It moved the Laotian economy no closer to self-sufficiency, indeed perpetuated dependence on the United States.

*"A.I.D. has learned that empire has its financial limitations."*

As a result, the country was flooded with imported consumer goods; "re-exportation" of some of them on the black market kept the business community content; there was little inflation. Laos, Mann seemed to be saying, for obvious reasons preferred living at a standard it could never by itself afford to the evils of Communist aggression.

I asked if the kip would have any value if the program ran out of money. Yes, he conceded, if the dollars were cut off the kip would not be worth the paper on which it was printed.

Now, three and a half years later, things are a little changed in the Na Hai Diao Compound. A.I.D. headquarters has vacated the ramshackle building and settled a few yards away in Vientiane's most unusual indestructible building.

With the devaluation of the dollar and the anti-A.I.D. vote in the Senate, A.I.D. has learned that empire has its financial limitations.

Following the Senate vote, the U.S. Embassy devalued the kip by 20 per cent. Unless Congress has a change of heart, or the rich Japanese and Europeans pay more to keep it up, the kip will be devalued again, or be left to find its own value, and A.I.D.'s most cherished program will be gone.

The new A.I.D. headquarters gives the impression of eternity, if not grace. It has no windows at all, not even a painted-over one, throughout its three stories.

Locals call the new building "the white cube," "the cinder block," but most often "the windowless building." Its number on the embassy roster is 500—will they change the number with the devaluation to 600, I could not avoid wondering, and then perhaps to 1,000, to keep up with the kip? The building, A.I.D. officials say, cost only \$394,000, and, one said, "will pay for itself in reduced air-conditioning charges." Unofficial estimates by

local contractors put the building's cost at millions. The air-conditioning runs off A.I.D.'s private generators; the U.S. Mission consumes more electricity than the rest of the country combined. The A.I.D. telephone directory contains more entries than the Laotian Post and Telegraph telephone book, but the A.I.D. switchboard, preoccupied with internal communications, still cannot be reached from an outside line for most hours of the day.

The new windowless building is off-white, eyeless, bomb-proof, impregnable to climate and contains its own furnace for destroying secret documents. Hundreds of bureaucrats, their maps and coffee-makers, presumably could subsist within it, never leaving, for years.

T. D. Allman is a journalist who has worked in Laos for several years.

STATINTL

# AID Official Ending Career Tired, Disheartened

By Michael Morrow  
Dispatch News Service

UBON, Thailand — Tom Boyd is a building man, a tall Lincolnesque American who has spent 20 years in half a dozen developing countries, mostly as an agent of U.S. foreign aid. Boyd is a symbol of much of what is noble about American assistance to poor countries. But also of much of what is tragic.

Boyd is 60, a native of northeastern Texas, who was bossing construction gangs in Arkansas by the time he was 20. Due to retire next July, he already has his bags packed, hoping that the hassle over foreign aid appropriations will evict him early, from his crumbling, yellow-stucco office in this American air base cum market town of northeastern Thailand. Tom Boyd is tired.

Boyd is one of the four employees of U.S. Agency for International Development in Ubon. His job is to advise local officials on building country roads. "It's kind of like the county highway department back home," he says. And every week he treks over the two provinces to which he is assigned, writing poetry in large legible hand on long tablets of yellow paper to absorb the endless hours in his jeep.

Boyd's poetry is sour. It often mocks the anti-Communist crusade and slams the military. Boyd builds better bridges than poems. But both are stolid and hang together. Poetry keeps him sane, Boyd says.

"They say I've got it out for the military," he apologizes. "That just isn't so. I just don't like bullshit... and blowing things up just to be blowing them up is anathema to me."

## Little victories

Boyd sometimes wins little victories. Recently he was able to persuade the Air Force not to post pictures of Thai girls reported to have been raped in the area. Boyd's post office.

"They don't post pictures of GI's who get V.D. And what if somebody were to slip a picture of the governor's daughter up there: where would we all be then?"

But the tragedy of Tom Boyd's life is that more often than not he loses. From 1960-67, at the peak of his career, he served in Vietnam. He supervised the modernization of Tansonnhut Airport, when it was intended for commercial use.

The only American official at Tansonnhut in the early Sixties, Boyd became Ambassador Frederick Nolting's representative in one of the early intramural wars in Vietnam. "They (the Air Force) used to land their jets. I'd go out and tell them how glad we were to see them and that they had one hour to refuel, eat lunch and be on their way," he remembers.

During the 1963 coup d'etat, Boyd overheard the last conversation between Ambassador Henry Cabot Lodge and President Ngo Dinh Diem. "And it wasn't all in the Pentagon Papers, either," Boyd recalls.

That conversation made Boyd an even stancher dove. He tried to thwart military subordination of AID's local assistance programs. Westmoreland's command won. Tom Boyd was exiled to the outback of Thailand. His career has idled here ever since.

However, Boyd, like AID in Thailand, is far from free to ignore the military and their priorities. In fact, the Accelerated Rural Development Program of which Boyd is a part is basically counter insurgency, as much a part of the American nationwide effort to defeat communism as Ubon Air Base from where Air Force jets scream off daily for

realizes it or not is something other than the benevolent roadbuilder.

With the roads has come the border patrol police and, just as important, if not more so, 'the spooks.' American intelligence authorities have set up a guarded, off-limits communications center near the southernmost town of Namyin.

Indication of where American priorities in the area lie for the future is not hard to come by. Boyd is the only "straight" AID employee on the four-man roster. One other is an adviser to the border patrol police, principally a light mobile counter guerrilla force. Another is a liaison officer for CIA operation in Laos. The fourth runs the communications center at Namyin. When Boyd goes home, moreover, he won't be replaced.

Boyd does not believe in a Communist threat in northeastern Thailand. "I've always said that I could put all the Communists in this area in the back of a pickup truck. That doesn't mean you can't find people to shoot at you if you go stirring things up. But you can find them in Louisiana or Arkansas too. There are plenty of bandits, moonshiners and people cutting illegal timber. You go messing with them and they'll shoot you. That's all."

"You know," Tom Boyd said, stroking his silver Hemingway beard and looking over the pool of scrapers and bulldozers at the provincial workshop. "The Thais are some of the cleverest people I've ever worked with. If we pulled out tomorrow, they'd make out all right. Their economy would have some setbacks, but they need that. I don't agree with a lot of Americans that the Thai has just got his hand out. He's got his hand out because we've got our pocketbook open."

But this Tom Boyd is tired. Tom Boyd has had enough. Tom Boyd is going home.

24 NOV 1971

## SPECIAL REPORT

# The \$149 Billion Question—Was It Worth It?

BY ROBERT C. TOTH  
Times Staff Writer

WASHINGTON—A nation has "no permanent friends or permanent enemies," a British statesman once remarked, "only permanent interests."

When the Senate two weeks ago killed temporarily a foreign aid bill, it was basically demanding a similarly hard-nosed attitude by the Nixon Administration toward a very costly program which has been "a basic instrument of U.S. foreign policy" for a generation.

What permanent interest of the United States has been served by spreading \$149 billion worth of guns and economic help around the world over 25 years?

Why should the United States keep it up, either at the present requested rate—\$5.1 billion a year in the formal aid "package" (including \$3.5 billion in the bill killed by the Senate) but more like \$9.5 billion all told when every spigot is counted—or at any other level?

### Criticized as 'Handout'

Implacable foes of the program say "none." Conservatives like Rep. H.R. Gross (R-Iowa) call it the "foreign handout program." In Congress almost since aid began, Gross recently challenged anyone to prove he even once voted for "this giveaway." All justifications are, to him, one big "snow job."

Even liberals like Sen. J. William Fulbright (D-Ark.) and economist-author-diplomat John Kenneth Galbraith, however, now blast foreign aid as dollar-diplomacy, a grab bag, a tool of the cold war and a form of imperialism. The aid program, said Galbraith, is "the disaster area" of American foreign policy.

Aid is certainly a grab bag. It is guns and money, and money to use

Times staff writers who contributed to this report were David F. Belnap, Buenos Aires; Donald Bremner, Hong Kong; Don Cook, Paris; William J. Coughlin, Beirut; William J. Drummond, New Delhi; Jack Foisie, Bangkok; Sam Jameson, Tokyo; Francis S. Kent, Mexico City; Tom Lambert, Jerusalem; Stanley Meister, Nairobi, and Harry Trimborn, Moscow.

the guns as well as money to improve the economies of poorer nations. It also includes humanitarian aid to refugees and the like.

Give away it is not, at least not exactly. Two-thirds of the \$149 billion was given away as "grants," but the rest was lent. About \$21 billion has been repaid on the principal or as interest on the loans.

Even the grants were not simply dollar handouts. Most were spent in the United States. The taxpayer footed the bill, but the money employed Americans. Examples:

—Arms, worth \$41.7 billion. All were U.S. made. Whatever the morality of being the world's leading "merchant of death," the 10% of the total that was sold (on easy credit) did help the U.S. balance of payments and did partially subsidize the domestic arms makers.

—Food for Peace, worth \$19.7 billion. All was grown here and most was surplus which, if sold cheaply abroad, would have created chaos on world markets.

—Economic aid (excluding food, but including funds that support military efforts, as in Vietnam), worth \$88 billion. It was very largely spent in the United States for goods and services. This year the U.S. Agency for International Development (AID) spent \$1.66 billion, over 90% at home. American business gets almost a \$1 billion a year; American labor gets jobs from the program.

Reasons for spending it in the first place are as numerous as the many parts of the program. But several grand rationales have been offered in the past:—peace and stability in the world, and a better life for poor people in that world.

These generalizations are somewhat better focused now. Earlier

this year President Nixon said his foreign aid bill had three aims:

"To strengthen the defense capabilities and economics of our friends and allies . . . ; to assist the lower income countries in their efforts to achieve economic and social development . . . ; and to provide humanitarian assistance to countries struck by natural disasters and political upheaval."

But conservatives who had voted primarily for arms aid, and liberals who had preferred economic aid, combined in October to vote against all of it. The old reasons, despite the new cosmetics, have lost much of their force over the years.

Communism is seen as a less contagious disease than when aid began. Forward military bases are less valuable in a world of nuclear-tipped intercontinental missiles. Military pacts with small countries seem more trouble than they are worth. Hunger and discontent at home cries for priority over hunger and distress abroad.

### Goals are Contradictory

Furthermore, contradictions are recognized in the goals of foreign aid. Military assistance tends to perpetuate the status quo, economic aid to change it. Arms to Greece kept out communism but facilitated the military coup against a democratic government. Economic assistance raises living standards but also stimulates the appetite for more, and faster, which is destabilizing.

Industrializing a poor country does create a greater market for U.S. goods. It also creates greater competition against U.S. goods, both in world and in American markets.

South Korea, which a U.S. senator in the early 1960s wrote off as "a hopeless, bottomless pit for aid," received \$5 billion before graduating last year out of the program. It exported virtually nothing to the United States in 1963; now it sends \$473 million a year, including textiles that apparently threaten U.S. jobs.

Western Europe was rebuilt with U.S. aid with similar results. But there, U.S. private money took up after government aid stopped. Now, over \$20 billion is invested by Americans in Europe, earning over \$2 billion annually. More than half the profits are brought back.

### Europeans Criticize It

Europeans do not like it. Some now see Marshall plan aid as malignant, rather than pure altruism by

continued

wish to associate myself with what the Senator said at that time.

Mr. AIKEN. It was a speech which I think stood up well.

Mr. President, I ask unanimous consent to have my entire speech of March 26, 1970, printed in the RECORD, including the colloquy I had with the distinguished Senator from Montana (Mr. MANSFIELD), because my remarks are just as applicable today as they were almost 2 years ago.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

#### THE SAINTS AND SINNERS OF FOREIGN AID

Mr. AIKEN, Mr. President, in his "State of the World" message, President Nixon said that he expected a new approach to foreign assistance to be one of his major foreign policy initiatives in the coming years.

He said:

"A new American purpose and attitude are required, if our economic assistance is to contribute to development in the new environment of the 1970's."

He has now sent to the Congress for our comments the report of his Task Force on International Development.

It does represent a new attitude.

But I do not find any candid statement of a new American purpose.

Congress still has not been presented with a sufficient reason to continue foreign aid as we know it now.

I have been a consistent supporter of our foreign aid programs, but the more I have lived with the existing legislation, the more I have come to believe a new American purpose in this area is most necessary.

Unless we can develop a more practical program we might as well give up the pretense under which we have been operating for the last few years.

The report of the Peterson Commission makes some interesting suggestions for rearranging the pieces on the bureaucratic crazy quilt in order to give a much needed lower profile to our foreign aid effort.

Most of my comments are now directed at questions left unanswered not only by the Peterson report, but by most of the other recent reviews of this subject by distinguished Americans and others with long attachment to foreign aid.

Before we can talk seriously about new institutional arrangements, we must have the new purpose that President Nixon asks for.

The Peterson Commission recommends a divorce of those foreign aid activities concerned with military assistance and counterinsurgency in the broadest sense of the term from those activities that are concerned with economic and humanitarian objectives.

The union between the saints and the sinners of foreign aid should be dissolved, it is said, to pave the way for giving the saints more money to spend.

Although this may be a laudable objective, I am not sure that divorce would have any such result.

Probably our most successful foreign aid programs were in Korea and Taiwan where there were ample roles for both saints and sinners.

But I agree that a divorce would be most desirable if it promises to achieve practical results.

The Peterson Commission should at least be commended for that recommendation.

If the State Department really wishes to control foreign policy in the foreign relations bureaucracy, it must be willing to accept such responsibilities.

At present, AID is a mechanism for diffusing responsibility.

It provides an irresistible temptation to all the chiefs of the foreign relations bureau-

cracy—Defense, CIA, State, and the White House itself—to play at intervention.

AID now provides the players with two kinds of levers to enhance their influence; if the arguments of the saints are not persuasive, there are always the arguments of the sinners.

Congress never intended the foreign aid agency to become an all-purpose intervention department.

The Peterson Commission may be right in asking that AID as it now functions be disbanded.

That is a debatable question.

But simply dissolving the marriage between the saints and the sinners of foreign aid is no reason why the Congress should vote a bigger foreign aid program.

There remains the vital question of a new American purpose.

On this score I find both the Peterson and the Pearson Commission reports disappointing.

A thorough reexamination is needed if only to rescue foreign aid from becoming the most boring subject of public policy today.

Take the word "development."

Ten years ago we thought we knew what it meant.

Now we know that development is simply a modern synonym for progress and as such it has become practically meaningless as a guide to policy.

The world is not divided into developed and underdeveloped nations.

Latin America, Africa, and Asia are not bound together in a mysterious condition called underdevelopment.

They are not bound together at all.

No worthy interest can be served by pretending otherwise.

It is true that Latin America, Asia, and Africa have experienced in common an historical encounter with Western ideas, Western economic and commercial penetration, and, usually, Western conquest.

And they are reacting to that common experience in certain similar ways.

They resent the fact that they were dominated or colonized in the past.

They are envious of the wealth and vitality of Western societies.

But it does not follow that the United States and other rich countries should pay reparations in the form of foreign aid for the historical impact they have had.

Nor does it follow that we should mount a crusade in the name of development in order to impose our ideas of progress on these countries.

Those who try to maintain the illusion that the world is divided into developed and underdeveloped nations must answer to the charge that they are investing the state of development with qualities of not just economic, but moral superiority as well.

There is much too much unconscious arrogance in this myth of the underdeveloped world, a myth which hides the vital differences that make these nations both interesting and understandable.

Latin America's culture is rooted in 16th century Spain; Asia's in a variety of infinitely complex traditional cultures dating back several millennia.

If Western man has undoubtedly disturbed the peace of tradition in these parts of the world, it does not follow that we should try to impose our priorities on government there, even in the name of progress.

All foreign aid inevitably involves just that hazard because all foreign aid as now practiced involves intervention in the internal affairs of other countries.

This is the most important reason why we need a new American purpose if we are to carry on foreign aid, and the Congress must understand that purpose.

The champions of development have compounded their difficulties by inventing an ingenious numbers game, designed to shock

rich countries with the magnitude of the inequalities among nations, and at the same time to provide a basis for measuring the need for foreign aid.

This game has been played over and over again in years past until it has actually become a menace to the cause it is supposed to serve.

The foreign aid members game grossly exaggerates the real inequalities in welfare among nations.

It puts a premium on comparisons that heighten quite unnecessarily the envy and resentment between rich and powerful nations and poorer, weaker nations.

It creates a sense of hopelessness about the problems of the poorer nations that is certainly no service to them.

The key counter in this game is a useful economic indicator that was never intended to be used for international comparisons—the gross national product.

The foreign aid numbers game turns the GNP into a new weapon of "Western imperialism," as it is called in Communist countries.

We are supposed to believe that the average American lives 50 times better than the average Indian because, as far as we can calculate, our GNP is 50 times greater than India's.

An American family of four living under the official "poverty" line of \$3,600 a year is by this method of analysis more than 10 times better off than the average Indian family.

By the same token, a haircut that costs \$2.50 in Boston, Mass., is supposed to be 10 times better than the one a citizen of Bombay can get for a quarter.

There is something sinister in a method of measuring inequalities in welfare that is based on the notion that human services of roughly the same quality are somehow worth more in the rich countries simply because the price is higher.

Yet, this is precisely the kind of measurement that underlies virtually all professional attempts to measure the need for foreign aid and to set just targets for same.

Therefore, I am pleased that the Peterson report decided against recommending that a certain portion of the U.S. GNP be earmarked for foreign aid.

I would not for a minute deny the dire plight of the masses in several poorer countries, squeezed by population pressure either into a life of landless laboring in the eroded countryside or into a formless, aimless mode of existence in the crowded cities.

But is it humane to so exaggerate the real inequalities between societies with such absurd measures of progress that envy replaces hope and real human services are denied because they cannot be measured for the GNP the way ours can.

Almost half of our GNP consists of many personal and professional services that embrace much of the human activity in our country.

In a poor country most human services, most human activity takes place outside the money economy and, therefore, does not show up in Western man's calculations of GNP.

Now I ask, are they for this reason alone worse off?

In our search for a new American purpose in foreign aid we might ask President McNamara of the World Bank why the international community should not formally abandon international comparisons based on per capita GNP in favor of some better measures—measures that dispel illusions rather than creating them; measures that do not add to misunderstanding, but hopefully lessen it.

If this means admitting that we do not really know what the need for foreign aid is, that is an admission we should accept with humility because it is obviously the truth.

A new American purpose in foreign aid should start by making a virtue out of what

STATINTL

*Fulbright Threatens to Fight Extension on Aid*

By FELIX DELAIR Jr.

Special to The New York Times

WASHINGTON, Nov. 8.—Senator J. W. Fulbright, chairman of the Senate Foreign Relations Committee, served notice today that he would fight extension beyond next Monday of the continuing resolution that provides foreign-aid spending authority, unless the committee's \$3.3-billion bill was acted on by that time.

Senator Fulbright, Democrat of Arkansas, made his announcement in a letter to the chairman of the Senate Appropriations Committee. The announcement could mean that more than 4,000 employees of the Agency for International Development would lose their jobs if the committee bill was not approved by the Monday deadline.

**Fulbright Cites a Prohibition**

Since the current fiscal year began, on July 1, the agency, which administers foreign aid, has been operating under a continuing resolution that expires at midnight Monday. To prevent wholesale dismissals and a cut-off of all aid spending, the House is scheduled to act tomorrow on the solution for a 30-day extension. Follow-up approval by the Senate has been a formality in the past.

However, in his letter to the committee chairman, Senator Allen J. Ellender of Louisiana, Senator Fulbright said that he would invoke a provision writ-

ten into the law last year. The provision, never invoked, prohibits the use of a continuing resolution unless authorizing legislation is pending in both houses of Congress.

Senator Fulbright suggested that the time had come to implement the prohibition in view of the Senate's defeat Oct. 30 of the authorizing legislation and "the great uncertainty surrounding the future of the entire foreign aid program."

"To allow continuation of appropriations for foreign aid and military sales under the circumstances would make this restriction a nullity and create precisely the type of situation which the provision was designed to correct," Senator Fulbright added.

He specifically requested that any provision for additional funding of foreign aid programs or personnel be deleted from the House's continuing resolution "until Congress has enacted an authorization bill."

**Versions Must Agree**

Congressional enactment requires not only passage of legislation by both houses but separate approval of a conference report resolving differences between the Senate and House versions. Observers agreed that to accomplish this by Monday would require a burst of speed unequalled since the early days of the New Deal.

Pending action on the committee's truncated version of the Administration's \$3.5-billion

request, Senator Fulbright suggested that the necessity of terminating the employment of A.I.D. employees would not arise until Nov. 23, rather than Nov. 15, as Administration spokesmen contend.

The Senator is understood to have obtained an informal opinion from the Controller General that the agency could meet its Nov. 23 payroll "because of the lag between the end of pay periods and actual payment of salaries."

The resolution, that the House will consider tomorrow would extend foreign-aid spending authority for 30 days beyond Monday, or until adjournment of the present Congressional session. It would be at the same annual spending rate of \$2.6-billion that Congress appropriated for last year.

6 NOV 1971

STATINTL

Approved For Release 2001/03/04 : CIA-RDP80-01601R0014

Murray Warder

## AID—A Two Way Road

IN ITS STRUGGLE to survive, the Agency for International Development is pointedly reminding U.S. senators that business profits and jobs in their home states will feel the pain of foreign aid cuts.

Money, jobs, and by clear implication, votes, can be more tangible weapons in a political fight than lofty arguments about World stability and aid to underdeveloped nations. The appeal to domestic interests to rally to the defense of balance sheets and payrolls could carry double weight in the present depressed state of the U.S. economy.

A generation ago, the concept of foreign aid was scoffed at by its many critics as "milk for the Hottentots." The time came when the condition of the Hottentots and other distant peoples came to be recognized to be not so totally remote from the condition of world order, but the attitude associated with foreign aid remained: "hand outs," "give-aways."

To carry foreign economic aid through the Congress—"pure" foreign aid, that is, as distinct from direct, or roundabout support for foreign regimes whose continuance in office was judged to be of direct value to American security interests—economic aid allocations were linked legislatively with military aid. In the name of containment of communism, military assistance could win the votes to override the guffaws about "foreign aid."

THE PARADOX has been that both forms of "foreign" aid were, in a real sense, also domestic aid—spent in, and supporting, the U.S. economy.

According to AID, 93 per cent of its funds for the purchase of industrial goods and agricultural commodities is spent in the United States.

In addition, AID estimates that 86 per cent of all money allotted to it, for services, cash grants, salaries and goods and commodities are spent in the United States.

This is not just happenstance, or a result of foreign preferences for made-in-America labels. These funds are generally mandated to be spent in the United States by "tied" loans—meaning loans with strings on them—or other legislative requirements.

U.S. policymakers have been ambivalent about how much they should talk about the tied-to-America quality of American foreign aid. To stress the tie dims the aura of altruism, compassion, and humanitarianism which policymakers would prefer to portray to the world. The result has been that although AID routinely publishes lists of contracts awarded to

U.S. firms or organizations, there is normally no great stress on the dollar-tied nature of most foreign aid, leaving the non-military portion of the program adrift without any aroused constituency to defend it.

Only now, with its life on the congressional chopping block, has AID been encouraged, indeed stimulated, by the administration, to mount a major public display of the domestic consequences that can result from slashing "foreign" economic aid funds.

Item: Between 1964 and 1969, AID money financed from 22 to 30 per cent of all cargo shipped on U.S.-flag vessels.

Item: In 1971, AID loans and grants financed U.S. exports totaling \$972 million. While this represented only 2.3 per cent of total U.S. exports, it included 25 per cent of all American fertilizer exports; 16.4 per cent of U.S. iron and steel exports; 15.7 per cent of all exports of railroad equipment; 8.5 per cent of basic textile exports; 8.5 per cent of rice exports; 7.3 per cent of all exports of non-ferrous metals and products.

Item: To make the point even clearer politically on Capitol Hill, AID statistics now being circulated there show that in the same 1971 fiscal year, \$178,629,271 was spent in New York State; \$80,502,640 in California; \$77,081,159 in Pennsylvania; \$73,541,642 in Illinois, and with lesser amounts listed for other states, including \$20,572,073 in Maryland and \$10,162,141 in Virginia.

Item: Other "fact sheets" being showered on Congress report cumulative totals for many years of AID research contracts to universities, and service contracts to other organizations, including Air America Inc. of Washington, D.C., the organization which operates with the Central Intelligence Agency in Southeast Asia. It is listed for accumulated contracts from AID alone totaling \$33,324,200.

Item: The "fact sheets" serving nations" with a double meaning; one of them is the United States.

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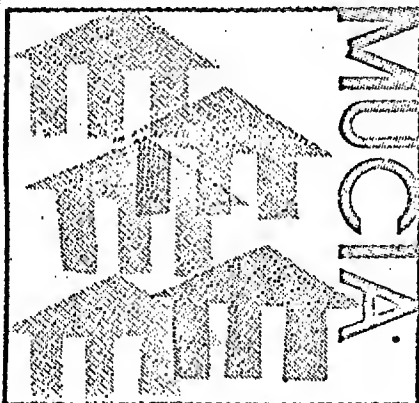
2 Nov 1971

Approved For Release 2001/03/04 : CIA-RDP80-01601

By DAN CRYER  
First in a series

A \$1 million grant from the main foreign aid arm of the U.S. government has made the University part of an unusual cooperative effort to make technical assistance to underdeveloped countries more effective.

Despite criticism of past foreign aid practices—especially because of alleged CIA connections—the United States Agency for International Development (AID) has funded a five-year research program proposed by the Midwest



Universities Consortium for International Activities (MUCIA).

MUCIA, whose member universities are Illinois, Wisconsin, Minnesota, Indiana, and Michigan State, was formed by the schools in 1964 to pool their collective expertise in aiding underdeveloped nations.

Although the grant is to MUCIA, headquarters for administration and coordination of research will be at the University. Davis Bobrow, director of the Quigley Center of International Studies, will serve as program director.

The purpose of the \$1 million grant is not to prepare another "development project," but rather to encourage basic research to test what makes for effective development. Such research is necessary because of dissatisfaction with technical assistance on the part of both donor and recipient countries, according to Gail Benjamin, associate program director. "We've found out you can't just go into a place and toss out a little technology and expect any lasting changes to take place," she said.

In recent years the University's "service" thrust frequently has taken the form of overseas development projects administered and staffed by University faculty. Current and past projects have included economic development in India,

agricultural education in Chile and Indonesia and veterinary medical aid in South Vietnam.

Especially since World War II, the University has seen itself as part of a world community. In that 25-year period, the University has expanded enormously its course offerings in foreign-area studies and languages, particularly in non-Western subjects. Its non-immigrant foreign student population has jumped from 355 in 1947-1948 to 1,661 last year.

The grant money will be used to support research on institution-building in underdeveloped countries, to train graduate students, and to set up a "documentation center" of development studies at the University.

The expected result is that MUCIA, which one faculty member calls "sort of a holding corporation for American talent," will become a "center of enduring competence" whose accumulated expertise may be tapped by both private and government development agencies.

Benjamin said research would study such specific questions as "Does it make any difference to the country if you have a university with extension services to farmers?" She also indicated that interdisciplinary research would be designed to propose and test "systematic theories of social development."

The "basic optimistic assumption" of development projects in poor countries, Bobrow explained, is that changing social institutions will bring "better payoffs of a specific kind." Introducing modern agricultural methods, for example, should increase the country's food supply. But, Bobrow contended, in view of some past discouraging results, it is important to find methods of predicting and overcoming obstacles to development success.

"Ours is really a diagnostic role," Bobrow said. "We aren't treating the social system (of a foreign country) ourselves. But if we look at the social symptomology of the system, we can say what course of action should be taken."

"It's one step back from trying to do something like a five-year plan," he said.

Technical assistance programs have been criticized because they are sometimes planned and administered by experts in a particular specialty. Their lack of interdisciplinary perspective sometimes results in misunderstanding of the foreign culture and, consequently, ineffective programs.

If a project is designed to increase economic productivity in an arid country with a migrating population, Bobrow said, it will have to take into account such variables as labor patterns, rainfall, and the distribution of wealth. "If you're dealing only with economic criteria,

obviously your analysis is very incomplete," he said.

Thus a key feature of the MUCIA program will be the recruitment of interdisciplinary research teams from MUCIA universities. That task, however, may not be easy.

The problem, according to Bobrow, is that institution-building questions "don't fit neatly into most social science disciplines." Benjamin said, "Everybody knows interdisciplinary research is a good thing, but it's very hard to get people to do it."

Trying to impose American ideology on the recipient country is another mistake of past aid programs, Bobrow said. Calling that approach a "pretty fruitless game," he said "one of the few good things to come out of the Vietnam war is that we've learned we can't influence the other country. The whole question of donor control is vastly overplayed."

"Ignoring the autonomy of the recipient is not only wrong normatively, but if you leave it out of the analysis you're going to be wrong empirically, too," Bobrow said.

The revelation several years ago that a Michigan State University police-training project was funded secretly by the Central Intelligence Agency (CIA) under the guise of AID money still is reverberating in University development circles. But even as it has made them wary of possible CIA involvement, it has not frightened them into refusing AID grants.

William E. Wright, head of the Office of International Programs and campus MUCIA liaison, discounted any possibility of CIA involvement, but said there is "always danger of that happening."

"If we had the slightest odor of CIA, we'd run. In fact, MUCIA refused a recent project in Vietnam because it was too politically charged."

"I don't know if CIA has ever been interested in plant and soil science. None of our people overseas would have any truck with the CIA," Wright insisted.

Benjamin granted that most social science research could be used for "social manipulation or social engineering. I guess you decide what you're going to do about that when you become a social scientist."

A student at Michigan State when the CIA involvement was revealed, Benjamin said, "If I thought it was involved (in the MUCIA project), I wouldn't be involved in it."

Bobrow stressed that AID itself wants the project findings open to anyone. There will be no AID review prior to publication. And there will be no constraints—including security clearances—on the selection of project personnel.

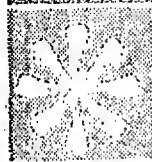
Tomorrow: Some specific AID programs are examined.

18 OCT. 1971

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# How the CIA Runs Secret Airline in Asia



## SPECIAL REPORT

By JAMES MCCARTNEY  
Herald Washington Bureau

WASHINGTON — The CIA, in supersecrecy, is running an airline in Southeast Asia with as many planes as Pan American — and about as many employees as the CIA itself — some 18,000.

Although virtually unknown to the U.S. public, which pays the bills, it ranks in numbers of planes among the half-dozen largest U.S. air carriers.

The airline is called Air America Inc., and it probably is the world's most secretive airline.

Its pilots — supposedly "civilians" — have manned T28 fighter-bombers on raids in Laos, according to the Pentagon papers.

THEY OFTEN fly hazardous missions in Laos, carrying troops into battle — and the wounded out.

They play the role of a part-time air force to many "irregular" of guerrilla fighters for a secret, CIA-sponsored guerrilla army in Laos.

Says a former CIA official: "Without Air America there could never have been a Laotian war."

Air America also carries freight, owns and operates Asia's largest aircraft maintenance facility, carries passengers, evacuates refugees, drops rice to the starving — and carefully hides its activities.

THE STORY of Air America, in fact, is one of the most intriguing of the U.S. involvement in Southeast Asia, shrouded in Oriental mystery.

Its mysteries, however, have now attracted the attention and concern of congressional investigators.

For the first time they have become fascinated with Air America — as well as with other CIA-related airlines that long have provided "cover" for clandestine U.S. activities.

Air America simply is the largest of a highly complex structure of secret, and semi-secret, CIA-related corporations with interests in air power.

"Nobody on Capitol Hill seems to know exactly what Air America does," says one investigator.

"But I can guarantee you that we're trying to find out."

THE CORPORATION has every outward sign of complete legitimacy — a Wall Street board of directors, thickly carpeted offices in Washington, neatly marked and maintained aircraft in the Far East often doing yeoman service for the U.S. government.

Many of the services of Air America are completely open in Laos, Vietnam, Thailand, Taiwan, Hong Kong and Japan.

But then there is the covert side.

Says Victor Marchetti, a former special assistant to the CIA's chief of plans, who quit in "disenchantment" and is now cooperating with congressional committees:

"The CIA created Air America. We owned it. It did our bidding.

"The top man of Air America, the man who built it, George Doole Jr., was a CIA man."

MARCHETTI recalls seeing an internal CIO memo in which the officer in charge of Air America's budget complained that the airline had become "so huge."

"The memo complained that Air America had more employees than the CIA — and the CIA had 18,000," Marchetti says.

Marchetti recalls that at one time the CIA made a movie about its activities in Laos — hoping to get public credit for its long-secret activities.

"The big star of the movie was Air America," he says.

"It carried the supplies and weapons into battle, supported the guerrilla army of Meo tribesmen, and evacuated the wounded." The movie was never shown publicly.

THE PENTAGON papers also furnished a flash of insight into Air America's activities.

In talking about the beginning phases of the escalation of the aerial war in Laos, the published version of the papers says:

"A force of propeller-driven T28 fighter-bombers, varying from about 25 to 40 aircraft, had been organized there (in Laos).

"The planes bore Laotian Air Force markings, but only some belonged to that air force. The rest were manned by pilots of Air America (a pseudo-private airline run by the CIA) and by Thai pilots . . ."

THE PAPERS also include the text of a cablegram from then Secretary of State Dean Rusk to the U.S. Embassy in Vientiane, granting "discretionary authority" to use Air America pilots in T28 fighter-bombers for search and rescue flights.

Rusk mentioned "T28 operations" as "vital both for their military and psychological effects in Laos" — but did not discuss the full scope of Air America's role.

The Pentagon papers make clear that Air America pilots were flying heavily armed combat missions as long ago as 1964.

OFFICIALLY, Air America activities are supposed to be limited to carrying cargo and men on government contracts.

Senate Foreign Relations Committee investigators in Laos in recent months have been puzzled by the fact that T28 fighter-bombers at major airbases have been unmarked except for serial numbers on their tails.

Continued

22 SEPTEMBER 1971

# Washington benefits from 'generosity'

By Richard B. Ward

The "Nixon doctrine," advertised by the White House as a means of minimizing U.S. foreign commitments, in reality is the subsidy of fascism abroad to serve the economic and military interests of U.S. imperialism. This is clearly—though unintentionally—revealed in recently published congressional documentation on the U.S. foreign aid program, which is assuming increasing importance as an instrument of the Nixon administration's efforts to get indigenous forces abroad to fight American wars and to "stabilize" third world countries on behalf of U.S. private investment and foreign trade.

The documentation includes testimony of top administration officials at hearings on foreign aid held in March-June by the Senate Foreign Relations Committee and the House committees on appropriations and foreign affairs. At these hearings, administration spokesmen defended continuing U.S. military operations in Indochina and stepped-up aid to the puppet regimes as the keystone of the "Nixon doctrine." They justified U.S. assistance to various reactionary regimes elsewhere for strategic reasons or because they promote a favorable climate for U.S. investment and trade.

The administration is also seeking to streamline the foreign economic aid program by placing it directly under White House supervision with the State Department's Agency for International Development replaced by several new agencies or public corporations for the following areas: inter-governmental loans, direct aid projects, developing a capitalist infrastructure in third world countries (so-called technical assistance) and promoting U.S. private investment abroad. (The agency for the last program was established last year as the Overseas Private Investment Corporation.)

## "Answer" to U.S. problems

The details of the new administrative forms are less important than their aims and what lies behind them. Essentially, the administration's proposals are an effort to provide answers to problems growing out of the relative U.S. economic decline on a world scale, U.S. balance-of-payments difficulties, domestic inflation and growing congressional opposition or apathy to foreign aid.

In the last 15 years U.S. assistance abroad has declined from 80% of the total from all donor countries to around 42%. With this relative decline in the world economic imp...

a corresponding diminishing of the U.S. ability to shape policies in third world countries. Economic reality, apart from significant congressional opposition, precludes raising U.S. aid expenditures abroad, which are actually at an all-time high because of continuing expenses in Indochina (now at more than \$3.4 billion annually, up from last year by \$400-500 million) and with further increases in store as long as the Nixon administration clings to its barbaric policy of "changing the color of the corpses." These figures do not include the costs of U.S. air, ground and sea operations in Indochina, still running at about \$1 billion per month.

Domestically, the administration is hoping to sweeten the aid package in the eyes of Congress as well as to give it greater immunity from congressional scrutiny and pruning. The latter aims will be achieved, if the administration's program is passed, by placing the aid program under a Council for International Economic Policy, to be chaired by the president himself and by obtaining three-year legislative authorizations, one year longer than at present. Past White House propaganda efforts to convince the public that foreign aid was one gigantic humanitarian enterprise ironically backfired and alienated some members of Congress, particularly those least prone to question U.S. imperial adventures, who constantly complain about U.S. give-aways to nations whose people show not the slightest "gratitude." This view is characterized by the chairman of the important House Subcommittee on Foreign Operations, Otto E. Passman (D-La.), who during last year's hearings complained:

## "Love" for sale?

"I am thinking now of the Philippines, one of the greatest recipients of our generosity—other than pre-revolutionary Cuba—of any nation on the face of the earth. If any nation and its people should love the United States it should be the people of the Philippines. The treatment that has been extended to our personnel recently, including that of the ambassador and his staff, is not appreciated by this humble (sic) member of Congress."

Now Congress is being wooed by arguments that aid is being closely linked to the promotion of U.S. economic interests abroad, which has always been the case but is now being made more explicit. The administrative streamlining is not only for domestic political effect but also indicates that the Nixon administration is seeking to stretch the influence of its foreign spending in the face of increasing competition from the other major capitalist powers. Not surprisingly, the new economic aid program was defended before Congress by Under-secretary of State John N. Irwin II, who has been closely allied to the Rockefeller family interests and was formerly associate counsel of the Rockefeller Foundation.

Another fiction being discarded is the pretense that "defense-support" assistance was economic aid, which carries implications of promoting economic development. Actually the defense support program has the aim of preventing economic collapse from the burden of U.S.-imposed large military establishments among the poorer colonies of the American empire.

In the military sphere, the administration is also seeking to raise congressionally imposed limits on credit sales of military hardware. There is a dual motivation here: to meet the competition of other industrial nations and to increase U.S. influence among

HOUSTON, TEX.  
CHRONICLE

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SEP 17 1971

## State Department Says No Plans to Ease Coolness to Cuba

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Washington — The State Department told Congress that it had no plans to ease its long-standing policy of coolness toward Cuba.

Robert A. Hurwitsch, deputy assistant secretary of state for inter-American affairs, opposed part of the Senate resolution, sponsored by Sen. J. W. Fulbright, D-Ark., chairman of the Foreign Relations Committee, calling for steps to restore "normal" U.S.-Cuban relations, both bilaterally and in the Organization of American States.

Hurwitsch, who testified before the committee, cited Cuba's continuing close ties with the Soviet Union and its alleged continuing efforts to export revolution. He said at least 100 Cuban instructors at six camps in Cuba are training Latin Americans in both rural and, increasingly, urban terrorist techniques.

Fulbright criticized the

State Department for presenting to the world a "stone image" of inflexibility and lack of imagination. He also decried what he termed its attitude of "boring" righteousness.

Citing Hurwitsch's allusion to 100 Cuban instructors in subversion techniques, Fulbright declared that the United States had "thousands" engaged in subversive activities around the world.

"The U.S. spends \$5 billion yearly on collecting intelligence and on subversion — covert, to say nothing of overt," Fulbright asserted. He said that the administration was spending \$400 million yearly on Central Intelligence Agency-directed military operations in Laos. He noted also that the CIA occasionally operated under aid cover.

"What Cuba is doing is peanuts compared to what this country is doing," Fulbright declared.

# Vietnam Ousts Americans

BY FLORA LEWIS

NEW YORK—While attention is focused on Vietnam's one-man electoral circus, American volunteers working on village development programs have been quietly forced out of the country.

It is another reflection of growing anti-Americanism in South Vietnam, less and less concealed as troops are withdrawn and U.S. influence wanes.

State Department spokesman Robert McCloskey revealed how far it had gone when he said last week that the special alert confining GIs to their bases was to head off anti-American incidents during elections to the National Assembly. American spokesmen in Saigon made it appear that the alert was to prepare troops against possible Viet Cong attacks, but McCloskey was more candid. It isn't the Communists U.S. officials are worried about, he indicated.

★

The ouster of the volunteers is a foretaste of the bitter problems that are going to arise as the United States dawdles its way from Vietnam. They are the members of the International Voluntary Service team, young specialists in agriculture or education who have been helping Vietnamese villagers. The volunteers are paid \$80 a month, plus a meager allowance providing a living standard equal to the villagers'.

IVS was founded in 1953, a private, nonpolitical organization which later served as a model for the Peace Corps. Its first teams went to South Vietnam in 1957.

Until the 1968 Tet offensive, when two IVS men were caught in Hue and disappeared during Viet Cong occupation of the city, there were normally about 180 IVS people stationed around the countryside. Their number dwindled after that.

"It was harder and harder to find places where even Vietnamese speaking, apolitical development workers could get the confidence of the local people," says John Schafer, now posted at IVS headquarters in Washington.

And yet the IVS had a reputation for idealism, independence and selfless work in such things as helping raise rice and banana production with better methods.

Their latest two-year contract expires this month and has not been renewed. President Nguyen Van Thieu instructed his cabinet not to renew any foreign agreements with IVS, and the 31 volunteers remaining in the country have been

non-Americans. They also have to go.

Some of the volunteers, according to private reports from Saigon, feel Thieu was anxious to get rid of them before the presidential elections Oct. 3. Their close knowledge of the country, their language ability, their involvement with local people would have put them in a position to see just how the balloting was really conducted.

But Schafer thinks the problem is much deeper and more enduring. It was a former IVS worker, Don Luce, who led two visiting congressmen to the "tiger cages" in the prison on Con Son island. It was Ron Moreau, an IVS worker, who tipped American reporters to the South Vietnamese army's use of terrified villagers at Ba Chuc as human minesweepers. True, it wasn't Moreau's business to save lives, he was only supposed to teach children, but after trying vainly to get Vietnamese and American officials to intervene, he turned to the press.

Anyone who has traveled about Vietnam has met numbers of local officials, farmers, teachers who speak with overwhelming gratitude for the young volunteers. Civil servants in Saigon are enthusiastic.

But Thieu is not, and neither it seems is U.S. Ambassador Ellsworth Bunker. Nobody has questioned the value of the work IVS has done, but its workers haven't always pretended to be blind and mute and their disclosures have at times been embarrassing to top authority.

★

Nonetheless, IVS has also come under fire from Vietnamese leftists as a CIA front, because of its link to the American AID program. The Saigon newspaper Tin Sang recently published a long attack charging that the IVS role was to fool the people into believing American policy aims to help Vietnamese peasants.

As Hugh Manke, IVS director in South Vietnam, wrote in a recent letter, "It's a bad time to be a foreigner in Vietnam."

It isn't going to get better until all Americans are withdrawn. And the longer that takes, the poorer the chances that any U.S. programs, even those which are purely humanitarian, can succeed. The United States has a moral debt of reconstruction and rehabilitation aid to a country it devastated so widely in order to "save" it. The way things are going, even if the Vietnam debt may fail, the ultimate humiliation of America's Vietnam experi-

STATINTL

# Scholar Says U.S. Rice Used to Pressure Meos

By D.E. Ronk

Special to The Washington Post

VIENTIANE, Laos, Aug. 30

— An American scholar who recently visited the Long Cheng area, where the U.S. Central Intelligence Agency maintains a key military base, has said that U.S.-supplied relief rice is being used to enforce army authority over the Meo tribe villages there.

For six months, he said, the tribesmen around Long Pot, 80 miles north of Vientiane, have been denied rice for refusing to supply their remaining men to the U.S.-financed Meo army of Gen. Vang Pao, and they have been told that rice will be delivered when they again cooperate.

The break in rice delivery came when the villages refused to send their 14-year-old youths to the army after sending their 15-year-olds, Alfred W. McCoy, a Yale professor, said he was told by tribal leaders in Long Pot.

(In Washington, a spokesman for the Agency for International Development said of McCoy's allegation, "We have no basis to believe this is true.")

McCoy is co-editor of "Laos: War and Revolution," published last year, and is gathering information for another book on Southeast Asia.

He is a former national coordinator of the Committee of Concerned Asian Scholars, a group formed in 1968 to oppose the war in Vietnam and to promote a basic reappraisal of U.S. government policy in Asia.

McCoy has just returned from a week-long visit to the mountainous area of Long Pot.

He said tribal leaders there blame American officials at the CIA's Long Cheng base as

much as Gen. Vang Pao for the cutoff of rice deliveries.

According to McCoy, tribal leaders said Americans from Long Cheng gave them two alternatives for resumption of the relief program: provide more soldiers to Vang Pao or move their villages within the perimeter of the Long Cheng—Sam Thong base complex southeast of Long Pot.

The leadership said they refused both alternatives and rice supplies were halted last February.

McCoy said he found a state of desperation for food in and around Long Pot.

In Vientiane, Charles Mann, local director for AID, told McCoy he knew nothing of the situation in the Long Pot area, but would have it investigated and would have rice dropped immediately.

Mann denied that rice supplies are used to enforce Vang Pao's authority. "American policy is to feed any and all refugees," Mann told McCoy.

According to Mann, rice drops are decided upon by a committee composed of tribal group representatives, the Lao government, and the AID mission. "We have never refused a request from a Lao government official" for a rice drop, he told McCoy.

A ranking Laos government official in Vientiane says, however, that AID was informed of the Long Pot situation weeks ago, that they ignored a request for deliveries and that the same method is being employed against other recalcitrant villages in Laos.

According to U.S. government documents, the AID mission here drops 50 tons of rice daily from airplanes to tribal guerrillas and villages in the mountains.

For the past five years, virtually no rice has been grown

by the mountain people because of the war. They have become "totally dependent upon American relief supplies."

Long Pot's leadership says their break with Long Cheng, and end to food provision, came when they were ordered to send all 14-year-old boys to the army.

"I know the 15-year-olds are gone," a chief told McCoy, "because I put them on the helicopters myself."

A move from Long Pot into the base at Long Cheng would make the village totally dependent upon Vang Pao and the Americans, the leaders said.

Such dependence would leave them no choice in following the orders of Vang Pao, whom they characterize as being considered by their followers the most hated man in the mountains "for sending the Meo to be killed."

McCoy says he is convinced of the truth in what he was told because of first hand observations and cross-checking stories.

"I would never have published these things if I had not been there, seen and heard," he said.

## Air Strike at Laos

## One-Third of a Nation Uprooted

by George McT. Kahin

## Vientiane

Since the staff report on refugees in Indochina was prepared for the Senate Judiciary Committee just under a year ago, the number of Laotians uprooted from their homes has increased substantially. It is difficult to know how accurately this increase is reflected in the numbers classified as refugees by USAID's Vientiane Office of Refugee Affairs - for its criterion for a refugee is essentially any displaced person to whom it provides support. But as of June 18 it reported a refugee total of 317,489 as against 253,241 for July of last year. These figures do not cover all of those displaced people under control of the Royal Laotian Government (nor, of course, do they extend to that two-thirds of the country controlled by the pro-Communist Pathet Lao). Currently the Vientiane government estimates that altogether 725,000 Laotians have been displaced by the warfare that has swept the country during the last decade - a figure that USAID regards as roughly accurate. In terms of the 1962 Laotian census estimate of just over two million, this means that about one-third of the population has been uprooted.

Among the 14 provinces of Laos the extent of this dislocation varies considerably. A December 1970 US embassy breakdown headed "Population Displaced by Military Action Since 1962" indicated that in Sayaboury province (lying to the west of the Mekong) only four percent of the population had become refugees, while for Xieng Khouang, previously the third most populous province, the figure was 81 percent. (Xieng Khouang embraces the Plain of Jars and is reported to have the most extensive free-fire zones.)

A large portion of the USAID-supported refugees are classified as "para-military dependents." The number in this category has grown from 95,000 a year ago to 120,000 in April 1971, and roughly 150,000 in mid-June of this year. Although administered through USAID, the funds for this major component of the refugee population derive from the Department of Defense. This would seem appropriate given the fact that these are the families and other dependents of members of the CIA-organized and financed "Clandestine Army," led by the Meo general, Vang Pao. Meo tribesmen still constitute the largest single element of this 30,000 man army; and this helps explain why

well over one-third of the USAID-supported refugee population in Laos is made up of Meo. Although in 1965 the Meo constituted approximately 70 percent of Vang Pao's army, heavy attrition because of casualties and some desertions has now reduced the proportion to about 40 percent. Currently the Khmu, who like the Meo are an upland dwelling people, are the second largest ethnic group within the Clandestine Army. Reports that it has been encadred by an increasing number of Thai soldiers are difficult to check out with any degree of reliability, but there is general agreement that at least two battalions of Thai troops have been playing a significant role in the defense of Vang Pao's headquarters at Long Chen.

It is not merely the seesaw fighting on the ground between the anti-Communist forces and the frequently North Vietnamese-supported Pathet Lao that has so severely altered the human geography of Laos. In addition, on wide areas of the country far removed from the Ho Chi Minh Trail complex American air power has had an enormous impact. Clearly there is a considerable relationship between American bombing and the growth in the number of displaced persons, but apparently American embassy personnel in Vientiane are under strict orders to deny this. Moreover, no hint of this major sociopolitical fact is to be found in USAID's recent report, *Facts on Foreign Aid to Laos*, a handsomely printed 200-page volume now widely dispensed to outsiders seeking information from the American Embassy. Its section captioned "Causes and Motives of Refugee Movements" eschews any reference to bombing as a factor in the creation of refugees, and the reader is informed only that: "The motives that prompt a people to choose between two kinds of rule are not always clear, but three conditions of life under the Pathet Lao appear to have prompted the choice of evacuation: the rice tax, portage, and the draft. The people grew more rice than they had ever grown before, but they had less for themselves. They paid it out in the form of taxes - rice to help the state, trading rice, and rice from the heart. The Pathet Lao devised an elaborate labor system of convoys and work crews. They drafted all the young men for the army. The refugees from the Plain of Jars say that primarily for these reasons they chose to leave their homes."

It is undeniable that peasants dislike paying taxes. Unlike Vientiane's Royal Laotian Government, which

GEORGE MCT. KAHIN, former director of Cornell University's Southeast Asia program, is the editor of *Government and Politics of Indochina*.

accomplishments of Mr. Hall in his service to the N.C. Pharmaceutical Association stressing that he had done things not to seek recognition but for the good it would do the association and others.

George P. Hager, Dean of the School of Pharmacy of UNC-CH, pointed out that as a student at UNC, Bob not only learned to be a good pharmacist but also a good leader.

"In his work with the state association and as a trustee of the university, Bob is not only able to define the problems but actively works for their solutions. His works conform with his words," said Dr. Hager.

The presentation of the award was made by B. Cade Brooks of Fayetteville, immediate past-president of the N.C. Pharmaceutical Association.

The Montar-and-Pestle Award is presented annually for distinguished service in the fields of pharmacy, public health, education and welfare.

Three other state winners in other fields from Mocksville were recognized:

Miss Jo Cooley as the "N.C. Handicapped Woman of the Year."

Dr. Clyde Young as a former "Veterinarian of the Year."

Dr. Ramey F. Kemp as a former "Chiropractor of the Year."

W. J. Smith, Executive Director of the N.C. Pharmaceutical Association, read messages of congratulations from Dr. William Friday, President of the University of N.C., and George Watts III, President of Central Carolina Bank and chairman of the board of trustees, UNC-CH.

The career highlights of Mr. Hall are as follows:

A native of Wayne County and resident of Mocksville since early youth; education in the Mocksville Schools and at the University of North Carolina. Member of Phi Delta Chi Fraternity.

Returned to work with his father at Hall Drug Company upon graduation and is now owner and operator of the pharmacy.

Served in the Army Air Force during World War II.

In his community he has served as secretary and vice-president of the Jaycees; Chairman of Heart Fund Drive; Director of the Rowan-Davie Heart Association; Director of Mocksville Rotary Club; Member Davie County Morehead Selection Committee; On committees of the area Girl Scout Council and Umharrie Council for the Boy Scouts; Director of Northwestern North Carolina Economic Development Commission. He is presently a member of the Mocksville Savings and Loan, and a member of the Board of the Davie-Yadkin-Wilkes Health Department.

In the First Baptist Church he has served as trustee and chairman of the Board of Deacons as well as president of the Brotherhood; he is currently serving as a member of the Finance Committee.

Mr. Hall is past-president of the North Carolina Pharmaceutical Association and the North Carolina Pharmaceutical Research Foundation. He continues to serve on the Board of Directors of the Foundation. He is Chairman of the Consolidated Pharmacy Student Loan Fund; member of the Academy of Pharmacy, and a charter member of the Academy of General Practice of Pharmacy.

He was recently elected for a second term as Trustee of the Consolidated University of North Carolina and serves on the Committee on Health Affairs which encompasses Schools of Pharmacy, Dentistry, Public Health, Medicine, and Nursing.

Mr. Hall is married to the former Sara Hope Fitchett of Dunn; they have a daughter, Moya Fitchett, and two sons, Robert Buckner, Jr. and Carl Stacy.

## THE TRAGEDY OF THE DOMINICAN REPUBLIC

HON. BERNARD BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BADILLO. Mr. Speaker, the events of the last 6 years have proven that the unwarranted and ill-conceived intervention of the United States in the Dominican Republic in 1965, and the 18-month military occupation which followed, was a tragic mistake of the greatest proportions. The chaos; corruption, political instability, social and economic dislocations which have ensued are almost impossible to describe. The suppression of civil liberties, the stifling of the voices of constructive dissent, intrigues, deaths, and disappearance are occurring in the classic manner of a dictatorial regime. It is reported that, in recent years, more political murders have occurred in the Dominican Republic than in any comparable period during Trujillo's dictatorship. In 1970 alone there were some 186 political murders and 30 unexplained disappearances.

In a recent issue of the New York Review of Books the noted Latin American authority, Norman Gall, has reviewed two books relating to the U.S. intervention in the Dominican Republic and its aftermath. Moreover, Mr. Gall presents a very penetrating and well-documented study of the current reign of terror in this Caribbean Republic and the complicity of certain U.S. personnel in some of the events connected with it.

A particularly frightening feature of this terrorism is the fact that many of the victims are the poor, repressed inhabitants of Santo Domingo's barrios. Furthermore, the executions and other acts of terrorism are frequently conducted by roving, paramilitary "death squads" organized by the armed forces and the police--organizations receiving U.S. training and equipment.

Mr. Speaker, I believe that Mr. Gall has performed a valuable service in bringing this situation into focus and in revealing to the public facts which have been hidden too long. His well-written and perceptive essay and review should be given our fullest and most careful consideration--particularly as we will soon be acting upon the Foreign Assistance Act. I present it herewith for inclusion in the Record and commend it to our colleagues' attention:

SANTO DOMINGO: THE POLITICS OF TERROR  
(By Norman Gall)

We know that many who are now in revolt do not seek a Communist tyranny. We think it's tragic indeed that their high motives have been misused by a small band of conspirators, who receive their directions from abroad. To those who fight only for liberty and justice and progress, I want to join in . . . appealing to you tonight to lay down your arms and to assure you that there is nothing to fear. The road is open to you to share in building a Dominican Democracy and we in America are ready and anxious and willing to help you.

--Lyndon B. Johnson, May 2, 1965.

President Johnson's military intervention in the Dominican Republic in 1965 was as momentous as it was cruel and politically mistaken. We can see it, along with our enlargement of the Vietnam war in the same year, as part of a disastrous expansion of the powers of the American Presidency and of its sense of "global responsibilities." When a force of 23,000 US troops landed in Santo Domingo in May to reverse the course of the Santo Domingo civil war they served to rescue a repressive military establishment from an apparently successful popular revolt that was trying to restore constitutional rule. We can now see that the high priority the US gave to social progress in Latin America, an idea implicit in the Alliance for Progress, has been replaced by what appears to be an expanding and recurrent pattern of control by terror.

Professor Jerome Slater's political study of the 1965 intervention and the eighteen-month US military occupation that followed is derived from his use, on a not-for-attribution basis, of "a great number of papers, memoirs, and documents which are not now in the public domain," as well as off-the-record interviews with US and OAS officials. However, all this new material adds little or no support to the official rationale for the intervention--that the Dominican Republic was at the brink of a possible Communist takeover. Instead it provides further evidence of double-dealing and cruelty after the US troops were sent in.

Because he relies so much on classified official documents, and because of his otherwise limited knowledge of Dominican affairs, Slater tends at times to bend over backward to give credence and legitimacy to the official US view in a number of, at best, highly doubtful instances. Nevertheless, he concludes that although "there was some risk that out of an uncontrollable revolutionary upheaval Castroite forces might emerge victorious . . . the risk was not yet sufficiently great to justify the predictably enormous political and moral costs that the intervention entailed."

The effect of the intervention was to restore to power in Santo Domingo the political apparatus of the long and brutal dictatorship of Rafael Leonidas Trujillo (1930-61). Of the costs Slater writes at the end of his book:

" . . . the steadily worsening political terrorism . . . has recently [1970] reached crisis proportions. Scarcely a day goes by without a political murder, a "suicide" of a jailed political prisoner, the disappearance of a political activist, or, at the very least, a case of police harassment of the political opposition. Most of the victims are Communists or Castroite radicals, PRD activists [of ex-President Juan Bosch's Partido Revolucionario Dominicano], or former constitutionalists, although recently even anti-Balaguierists on the right have been attacked.

"While there has been a rise in leftist counter-terror, with machine-gunnings of isolated police and soldiers increasingly common, the main culprits appear to be unregenerate in the police and, to a lesser extent, the armed forces. It is not clear what [President Joaquin] Balaguier's role is in this, but although he has condemned what he calls the "uncontrollable forces" behind the violence and on several occasions has shaken up the police leadership, there is a growing feeling among moderate Dominicans that he is encouraging the rightist terrorism or, at best, has been inadequate in his response to it."

In recent years there have been more political murders in the Dominican Republic than in any comparable period during Trujillo's dictatorship, with the sole exception of the reign of terror that followed the swift

## U.S. AIDERS ACCUSED ON VIETNAM VOTE

House Unit Hears 2 Charge  
Bids to Influence Election

By FELIX DELAIR

Special to The New York Times

WASHINGTON, July 21

—Congressional investigators heard testimony today that United States officials in Saigon were seeking to influence next October's national election in favor of President Nguyen Van Thieu and that the balloting would be a "mockery" of the democratic process.

Two former employees of the Agency for International Development told a House Government Operations subcommittee that they had resigned because they believed United States personnel and facilities were being used improperly.

The witnesses, Theodore R. Jacqueney and Richard S. Winslow Jr., identified the Central Intelligence Agency, the United States Information Agency and the American-financed Civil Operations and Rural Development Support (CORDS) program as the sources of funds, equipment and personnel that were contributing to the election effort.

The men denounced United States financing of the South Vietnamese police, intelligence and prison systems, which they said were being used by the Saigon Government to silence its political opposition and non-Communist advocates of peace and neutrality.

### 'More Feared, More Hated'

Mr. Jacqueney, who said he recently completed an 18-month agency tour at Danang, told the panel that "no single entity, including the feared and hated Vietcong, is more feared or more hated than the South Vietnam secret police."

The men testified under oath, charging widespread corruption among high Vietnamese military and civilian officials "in all ministries." Mr. Jacqueney also said that political persecution resulted in an estimated 20,000 to 100,000 political prisoners.

Mr. Jacqueney told an A.I.D. contract costing 400,000 to build 233 new isolation cells at the prison on Con Son, which received wide publicity for its "tiger cages" a year ago. The witness said:

"Political prisoners are now being transferred from prisons on the mainland to Con Son island, apparently to make them less accessible during the election campaign. 'In every province in Vietnam there is a province interrogation center with a reputation for using torture to interrogate people accused of Vietcong affiliations. They have a C.I.A. counterpart relationship, and in some case have a relationship with the A.I.D. police adviser.'"

### Describes Alleged Torture

Mr. Jacqueney said that an old man—a friend of his—had been accused of Vietcong connections and had wanted to confess to avoid torture, "but was tortured horribly anyway, simply because it was standard operating procedure to torture prisoners."

He said that two American officials had told him that the old man had been given the "rock-and-roll" treatment in "large quantities of rice and water were forced down a prisoner's throat and then a smooth stone is rubbed over his belly producing days of intense pain and continual vomiting."

Before the two witnesses took the stand, John E. Reinhardt, assistant director of United States Information Agency, was cross-examined by the subcommittee chairman, William S. Moorhead of Pennsylvania, and by Representative Paul N. McCloskey Jr., Republican of California.

STATINTL

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JUL 10 1971

## \$1.7-Billion of War Funds Unaccounted For in Audit

### Congressional Agency Unable to Learn How Most of \$2.1-Billion Authorized for Pacification in 1970 Was Used

By TAD SZULC

Special to The New York Times

WASHINGTON, July 9—The General Accounting Office, the Congressional watchdog agency, has reported that it is unable to determine how \$1.7-billion of \$2.1-billion authorized for the pacification program in South Vietnam was spent or committed during the three-year period ended July 30, 1970.

The office made its report in a 160-page survey entitled "Background Information on United States Participation in Pacification and Development Programs in Vietnam," sent to Secretary of Defense Melvin R. Laird and several Congressional committees on July 1.

The General Accounting Office auditors, who made their survey in Vietnam, said that the specific obligations of the pacification program that they were able to find accounted for only \$339.2-million of the total of \$2.1-billion authorized for the fiscal years 1968, 1969 and 1970.

And, they said, \$65.5-million of the \$339.2-million had been spent for purposes that they had not been able to determine, which was taken to mean that the money was spent for projects other than those for which it had originally been designated.

The United States agency responsible for the over-all pacification in Vietnam is called Civil Operations and Revolutionary Development Support, or CORDS. Its responsibilities include the care of refugees and other war victims. Operation Phoenix, which is designed to eliminate the Vietcong sub-

versive apparatus, also comes under the agency.

The funds for CORDS come principally from the Defense Department although the Central Intelligence Agency and the Agency for International Development contribute to them.

The accounting office survey said that the \$65.5-million of the \$339.2-million of the obligated money "was not used in CORDS and was subsequently used by the contributing agencies for other purposes."

It said it could "not determine" what these purposes were.

In fiscal language, obligations are the commitment or actual expenditure of authorized funds.

The survey has offered no conclusions as to the discrepancy between the funds authorized for CORDS and those actually obligated.

But in the section on "village self-help" programs, one of the CORDS operations, the document listed "misappropriation of funds" among the problems facing the agency. The report said, however, that from a political viewpoint the village program "has experienced a degree of success."

The survey said that "we have learned that internal audits and inspection had generally not been conducted" by CORDS.

It noted that while there are 12 "auditing groups within the executive branch for CORDS review," only two of them "had performed reviews" since the formation of CORDS in 1963.

"We also found that many of the responsible officials in the directorates were unaware of amounts obligated under their programs and in some instances did not know the amounts in their budgets," the survey said of the Saigon agency.

The survey added that "in the three fiscal years ending on June 30, 1970, CORDS received

"We obtained obligations about \$339.2-million," it reported.

But the accounting office said that "we were unable to obtain obligations for \$1.7-billion of the \$2.1-billion."

It reported that the Defense Department had contributed 86 per cent of this total. The Central Intelligence Agency provided 5 per cent and the Agency for International Development 9 per cent. The C. I. A., however, has refunded some of the

money spent by A. I. D. on its behalf on unspecified covert projects.

The accounting office said that the bulk of the CORDS authorization was budgeted for "hardware" and military and auxiliary equipment for South Vietnamese military organizations.

Under Operation Phoenix, CORDS is increasing the South Vietnamese national police from 100,000 to 120,000 men this year.

JUN 15 1977

STATINTL

# CIA Trains Guerrillas

By Donald Kirk

Newsday Special Correspondent

Vientiane, Laos—The U.S. Central Intelligence Agency has armed, equipped and helped to train a 2,000 man guerrilla force on and near the Communist-controlled Bolovens Plateau in southern Laos.

Highly informed sources here report that the CIA has built up the force, composed mainly of local tribesmen, in the past year in response to the threat posed by North Vietnamese troops, who overran the Bolovens a month ago and now are menacing the Mekong River lowlands.

According to those sources, the CIA is training tribesmen in half a dozen centers west of the plateau from Savannakhet to Pakse, key military and commercial towns on the Mekong still held by Lao troops. Lao Army officers provide the basic training, the sources said, but CIA operatives advise them and supply arms and ammunition daily.

The sources compared the buildup in southern Laos of the Special Guerrilla Unit Battalions, as they are known, with the formation a decade ago of a much larger force of Meo tribesmen in the north. The Meo army, after reaching peak strength of 40,000 men in the mid 1960s, has dwindled to approximately 6,000 after suffering a series of crushing defeats at the hands of North Vietnamese troops. Informed sources here and in Pakse indicated that the new clandestine battalions would not attempt to confront the North Vietnamese directly—or to recapture ground lost to the enemy on the Bolovens Plateau. Unlike the Meos in the north, the southern tribesmen specialize entirely in hit-and-run guerrilla tactics aimed at harassing and frustrating the Communists in regions never penetrated by regular Lao troops.

"These guerrilla units are much more aggressive than the Lao soldiers," an American official said. "They know the jungle. They're bush men. They can operate with a pocketful of bullets and a pocketful of rice." The official said that the guerrillas, drawn almost entirely from two tribes on the Bolovens, the Lo Ven and the Nghia Huen, often

were deployed on ambush patrols along the Ho Chi Minh Trail network, over which North Vietnam sends men and material through southern Laos to South Vietnam and Cambodia.

"They go on foot in groups ranging up to 18 or 20 men," an experienced military source said. "They carry claymore mines and other weapons, establish themselves in likely places and wait for something to come. They're supposed to ambush trucks and columns." The various sources admitted that they were uncertain of the success of such expeditions. "Sometimes they really do well," one analyst said. "And sometimes they sit around for a week and hit nothing. Other times it's hard to get accurate reports on just what they do hit."

Officials estimated that "a dozen teams" of guerrillas were generally posted on the trail network all the time. Still other teams ambush North Vietnamese troops further west, where the Communists are attempting to solidify their gains on the Bolovens Plateau and enlarge their road system.

One prime inducement for joining a Special Guerrilla Unit is the pay, which is considerably higher than that granted to Lao army soldiers and astronomical compared to the subsistence income on which most tribesmen manage to live. The sources said that the average was around \$50 a month when the guerrillas were engaged in full-time field operations. That figure compares with an average Laotian per capita income of approximately \$65 a year.

Another inducement is the assigning of recruits to the regions where they were born and have lived all their lives. "They're fighting for their ancestral lands," an official said. "They know the terrain, and they're highly motivated."

Other sources, however, noted that tribesmen tend to desert quite frequently and return to their homes and visit friends and relatives. "There isn't too much can be done about desertions or long leaves," a military analyst said. "They have a way of coming and going when they please." Lao officials—and their CIA advisers—attempt to imbue some sense of national spirit into guerrillas during their training.

"There's not that much you can tell them about jungle fighting," one source said, "But you can try to propagandize them some."

## in Laos

The Central Intelligence Agency avoids as much as possible an appearance of direct involvement in the operation. "It's done by remote control," an American said, explaining the CIA's relationship to the guerrilla units. "The direct commanders are Royal Lao Army officers. The Americans are well in the background." CIA operatives, in fact, work out of offices in Savannakhet and Pakse ostensibly run by the civilian U.S. Agency for International Development (AID). The official CIA cover is the Research Management Bureau to which CIA personnel are often assigned. Research Management headquarters for Laos is on the main AID compound here.

CIA operatives also participate directly in certain training and ambush missions, according to some informants. Analysts said that a "hard core" of one-time Special Forces officers, until recently assigned by the CIA to train the Meo army in the North, has moved to southern Laos to assist in forming the Special Guerrilla Units. The CIA, besides, is reported to be training Cambodian and Thai guerrillas to penetrate regions controlled by North Vietnamese troops in Northern and Northeastern Cambodia. One such camp purportedly is on an island in the Mekong River south of Pakse.

A bitter irony in the creation of guerrilla units in Laos, however, is the little appreciation shown there by the lowland Lao, who view all tribal members as racial, social and intellectual inferiors. In southern Laos, for instance, Lao refer to tribesmen, regardless of their tribal affiliation, as "kha." "The word meant 'slave' originally," an American in Pakse said. "It's almost as bad as calling a black man a 'nigger.' The 'kha' are the only people fighting on our side beyond the Mekong River valley, but the Lao don't give a damn as long as they don't have to do the fighting themselves."

## U.S. Pours In Record Aid

By Donald Kirk

Newsday Special Correspondent

Pakse, Laos—Gleaming, unmarked cargo planes were thundering on or off the sun-baked runway every 10 or 15 minutes. Half a dozen Lao Air Force T-28s squatted on an apron beside the airstrip revving their engines. A small observation plane circled lazily overhead.

"Just normal operations," said a brawny, tanned American, driving a truck of supplies from the offices of Air America and Continental, the two Central Intelligence Agency-financed contract airlines flying the unmarked planes. "This goes on every day," the American added for emphasis as a four-engined C-130, also unmarked, roared onto the runway and began taxiing toward a distant corner of the base.

The scene, in fact, epitomized America's desperate efforts to defend not only this vital commercial center on the Mekong River in southern Laos but also a series of other lowland towns threatened by North Vietnamese troops who have already conquered the entire Bolovens Plateau 40 miles to the coast. "The North Vietnamese could overrun this whole town in two or three hours," said one American official, whose wife and children had had to leave on orders for evacuation of all American dependents. "There's only two or three battalions of Royal Lao troops around Pakse, and they'd probably just scatter if the North Vietnamese made a determined effort to take this place."

Despite the seeming hopelessness of the situation, American officials are pouring in record amounts of arms and ammunition to brace the Lao forces, who vanished rather than fight the Communists in battles for critical positions on the Bolovens, crisscrossed and dotted by North Vietnamese supply routes and storage depots. "We're just in the business of providing economic assistance," said an affable, graying official for the U.S. Agency for International Development, but lettering on the tops of bomb crates clearly designated USAID as responsible for their distribution. USAID officials—some of them really with the CIA—were assigned to expedite the flow of materiel from Air America and Continental planes to Lao units.

Americans admitted that Lao ground forces, depleted and demoralized after years of back-and-forth warfare, could probably not use the materiel adequately, but they were optimistic about tiny Lao Air Force T-28s, propeller-driven planes capable of carrying four 500-pound bombs apiece. "They're maneuverable as hell," one American said as the planes began zooming off the airstrip and banked toward the first foothills of the Bolovens Plateau. "They operate fine as close as 500 yards from the ground." For the T-28s are probably the most important item on the American aid inventory here. Con-

voys of civilian trucks carrying the bombs under loose-fitting tarpaulins arrive here almost every day by road from Thailand, bordering Laos 20 miles east of the Mekong. The trucks belong to the Express Transport Organization, a Thai company contracted by the U.S. government.

The U.S. would doubtless not rely on Lao Air Force T-28s were it not for restrictions imposed on the use of American aircraft near the Mekong River lowlands. American jets fly round-the-clock missions over the Ho Chi Minh Trail region of southern Laos from half a dozen bases in Thailand, but they seldom bomb within 50 miles of here. "We need special permission from the Lao government to do so," said an American official, "and sometimes they don't grant it. All they've got beside the T-28s are some gunships which fly every night. It's really not much in a showdown."

This kind of air support was of only minimal value, in fact, when about 3,000 North Vietnamese troops attacked the town of Pakse, the last important Royal Lao outpost on the Bolovens Plateau, three weeks ago. Lao soldiers simply vanished into surrounding jungles while the North Vietnamese not only overran the town but also blocked the main road from Pakse to Pakse. "The fall of Pakse was the worst disaster in southern Laos in more than a year," said an American responsible for providing aid and relief for about 6,000 refugees who fled the town and nearby villages for the relative safety of Pakse. "There's very little chance the Lao army can retake the town. They just don't have the men."

The only real hope for Pakse and other towns in the lowlands seems to lie in the priorities set by the North Vietnamese. Their aim apparently is to solidify their control over the Bolovens Plateau, where they already have established a road network as an alternative to the Ho Chi Minh Trail system further east. "They need the second network to compensate for American bombings," explained a knowledgeable source. "They seem to want all of Laos except the lowlands so they'll have all the room

continued

20 MAY 1971

## Reds Display Capability To Hit Throughout Laos

By Murrey Marder

Washington Post Staff Writer

Communist forces in Laos are showing a capacity to strike at new and widely scattered points across the country, intensifying military pressure on the American-supported government.

In the last four days the North Vietnamese offensive has penetrated further westward than ever before, toward the Mekong River which forms the border between Laos and Thailand. Relatively small Communist troop units, about 120 air miles apart, are now in position to threaten—but not necessarily take—strategic points in the western sector of the Laotian panhandle, U.S. officials acknowledged yesterday.

Because the style of fighting in Laos is often to mount a threat for military or diplomatic purposes, and often both, the State Department yesterday labeled the situation "serious," rather than alarming.

The message that the Communist forces apparently intend to convey to Laotian Premier Souvanna Phouma, one U.S. source said, is "we can hit you from north to south."

There are divided opinions among Washington officials about the cause and effect relationship between the current Communist offensive in Laos and the U.S.-supported assault into Laos by South Vietnamese troops in February and March, called Operation Lam Son 719. The Communist and allied sides each claimed that operation was a success for itself and a defeat for the adversary.

Some U.S. officials contended yesterday that the current Communist attacks provide proof of the success of the February-March assault on the Ho Chi Minh infiltration trail network into South Vietnam, for it has forced the Communists to move westward to try to recoup the damage inflicted.

But other sources point out that it is Laos that is paying the penalty, with the Communist forces showing that they can recoup in the west for

damage done to them in the east—at the heavy expense of Laos and its protector, the United States.

North Vietnamese attacks, with elements of three regiments, on Tuesday overran the town of Dong Hene, near the western end of Highway 9. This was the road along which South Vietnamese forces attacked from the east earlier this year to interdict the North Vietnamese infiltration network. Communist troops are now within striking distance of the main east-west, north-south road junction in the western sector of the Laotian panhandle, Highway 9 and 13. Just beyond it is Savannakhet, a major town and base on the Mekong River.

Two days earlier, North Vietnamese troops to the south captured Paksong, the last remaining base of significance on the Bolovens Plateau, once dominated by guerrilla units financed and directed by the U.S. Central Intelligence Agency. From bases in this sector the guerrillas harassed and observed Communist troops and supplies moving down the Ho Chi Minh Trail network.

West of Paksong is Pakse, another major installation on the Mekong, and a headquarters for open and covert U.S. support for the official and clandestine Laotian forces and civilians.

U.S. sources yesterday said they regard it as unlikely that Communist troops will attempt to take Pakse. American officials reiterated that the Communist forces in Laos for years have held dominant military strength and a wide choice of targets if they chose to expend the resources to take them.

The current spring offensive in Laos is traditional for the Communists, between the end of the dry season and the start of the rainy season, U.S. officials noted. If the North Vietnamese and Pathet Lao forces choose to risk a major test of

military strength, officials said, it could come at Long Cheng in the north, headquarters for the CIA-supported guerrilla army of Gen. Vang Pao.

The State Department officially confirmed yesterday that the United States has evacuated from Pakse to Vientiane 44 American women and children and 51 dependents of foreign employees of the United States and 17 nationals of friendly countries. Most of the Americans were dependents of Agency for International Development employees.

AID has been embarrassed by disclosures that its funds were used to assist Laos military and CIA-directed paramilitary units and their employees. Sen. Edward M. Kennedy (D-Mass.) announced Sunday that AID had assured him that this AID funding will be terminated by July 1, with most of the funding already transferred to other U.S. agencies.

*D.E. Ronk filed this report on the situation in Laos in a special dispatch to The Washington Post from Vientiane:*

A major Communist offensive is unmistakably underway in Southern Laos, with scores of refugees swarming into this capital city last night. They filled hotel lobbies and restaurants, amidst nervous laughter, crying children, and small bundles of personal effects.

North Vietnamese troops are reported regrouping 25 miles east of Pakse, in Laos' panhandle, after successfully capturing control of the Bolovens Plateau in swift, coordinated attacks last weekend.

Monday night a meeting was held in Pakse and the senior American official called for evacuation of dependents as a "precautionary move," according to U.S. spokesmen. Evacuees said the atmosphere in Pakse was "charged" and some said it "bordered on panic."

Non-American refugees, including Filipino, Thai, Vietnamese and Chinese employed by the American mission and its contractors, say their hurried evacuation heightened the tension in Pakse.

"Certainly the Laotians were scared and wanted to go too," said a Filipino housewife, "but there was nowhere for them to go."

"They [the Laotians] stood around confused when we loaded our things and children into cars for the airport," said another Filipino.

To the east of Pakse in Paksong, called the "key to the Bolovens" because of its location on the strategic Highway 23, 10,000 residents remain behind the new lines created by the swift North Vietnamese push. Their presence has hampered bombing in the area, according to informed sources.

The situation in Pakse is described by knowledgeable sources as "quite worrisome at best," and confused because there is no readily identifiable center of command.

Observers flying over the Bolovens reported that a house to house search of Paksong was conducted by the North Vietnamese as they occupied it.

Operation Brotherhood, a Filipino hospital group, reported a number of their Laotian personnel and most patients remained in Paksong.

Twenty miles south of Paksong two battalions of Cambodian irregulars receiving training in guerrilla warfare under a CIA program are reported, unmolested and not expected to engage in combat because their officers are on leave in Phnom Penh.

North of Paksong an estimated two companies, and possibly a battalion of Thai soldiers ordered from Houei Sai, to assist in the defense of Paksong Sunday, have not been heard from since they began their march three hours before the town fell.

Air observers report that a North Vietnamese force is moving toward the remaining government position on the Bolovens at Houei Kong.

17 APR 81

## Top Aides Won't Appear At War Victims Hearing

By MORTON KONDRACK  
Chicago Sun-Times

Top State Department and Defense officials have refused invitations to appear at Senate hearings on the condition of civilian war victims in Indochina.

Sen. Edward M. Kennedy, D-Mass., had invited Defense Secretary Melvin R. Laird, Deputy Defense Secretary David R. Packard, Secretary of State William P. Rogers and U.S. AID administrator John Hannah to give testimony next week, but all refused.

Kennedy's subcommittee on refugees is the only standing congressional panel so far to schedule hearings in the increasingly explosive issue of U.S. responsibility for war victims.

The administration did agree to testimony Wednesday by Ambassador William B. Colby, U.S. Civil operations chief in Vietnam, and assistant AID administrator Robert H. Nooter and, on Thursday, by Montague Stearns, No. 2 man in the U.S. Embassy in Laos and Willard H. Meinecke, Nooter's deputy.

Kennedy declined to comment on the absence of top-level officials because, his staff said, the senator was still hoping for an appearance by G. Warren Nutter, assistant Defense secretary for international security affairs.

So far, according to the staff, the Pentagon has been willing to supply one of Nutter's deputies, but the staff said such an arrangement would be "unacceptable" to the senator.

Kennedy staff members said the Pentagon's attitude apparently reflected unwillingness to face questions on the impact of U.S. military doctrine on the civilian populations.

"We want to ask the Pentagon to define 'free fire zone' and 'search and destroy' and learn whether the military ever contemplated the effect these policies would have," a staff member said.

Another focus of the hearings is the continued use of U.S. refugee-aid funds for clandestine military operations in Laos by the Central Intelligence Agency.

First exposed last year, the Kennedy staff claims to have documents showing that AID has been unable to divorce itself from CIA ties.

If it develops this is true, staff members said, Kennedy plans to introduce legislation forcing an end to the clandestine relationship.

"We also want to know," a staff member said, "why the U.S. government is increasing its aid for training national police in Vietnam when it is decreasing support for civilian war casualties and refugees."

STATINTL

BOSTON, MASS.  
GLOBE

M - 237,967  
S - 566,377

MAY 16 1970

## Army Use of Laos AID funds ended

Globe Washington Bureau

WASHINGTON — United States fund for refugee relief in Laos will no longer be diverted for military use, according to Sen. Edward M. Kennedy.

Kennedy, chairman of the Senate Subcommittee on Refugees, said the practice of turning over substantial sums of American assistance funds to the Laotian military and the CIA-retained paramilitary forces has been ordered stopped.

In a letter to Kennedy, Dr. John A. Hannah, director of the Agency for International Development, stated that the transfer funds administered by his agency for refugee relief to the Laotian military forces "will be terminated" as of July 1.

The diversion of these funds had been revealed by Kennedy's subcommittee last September and subsequently documented by the General Accounting Office, the spending watchdog of the Congress.

Hannah told Kennedy that transfers of AID funds to the Laotian military operations began in July 1968 and over two years \$9.5 million has been so diverted. No dollar figures are available for the current year, he said.

In addition, Hannah reported that AID has taken several steps to upgrade the care and treatment of civilian war casualties in Laos. Medical personnel has been increased, along with hospital bed capacities and treatment facilities.

While applauding the change in AID practices, Kennedy said he is "distressed that it has taken a year of investigations and hearings... to rectify some very serious shortcomings in US programs."

For several years, Kennedy said, the "secrecy shrouding the war in Laos has permitted a great deal of whitewash by our national leadership."

APRIL 1971

STATINTL

## LAOS: ANATOMY OF AN AMERICAN INVOLVEMENT

*By Roland A. Paul*

WHEN President Kennedy came to office in 1961, he was startled to learn that almost 700 American soldiers, more than half of whom were members of the Special Forces, were in Laos, while about 500 Soviet troops were there providing logistics support to the local communist forces, the Pathet Lao and their North Vietnamese allies.

Fearing the possible consequences of such a confrontation and considering American interests in Laos to be small, President Kennedy sought to disengage. Negotiations ensued at Vienna, at Geneva, in Laos and elsewhere. The result was the ambiguous compromise set forth in rather unambiguous language in the Declaration on the Neutrality of Laos and the Protocol to that Declaration, signed by 13 communist and non-communist countries in July 1962, commonly known as the Geneva Accords of 1962.

Under the mantle of this agreement, the Laotians themselves established a tripartite government composed of right-wing royalist elements under General Phoumi Nosavan, neutralist elements under Prince Souvanna Phouma and communist elements whose nominal leader was Prince Souphanouvong (Souvanna Phouma's half brother). The balance of power in the government was given to the neutralists, and their leader Souvanna Phouma became Prime Minister, a post he holds today.

The Geneva Accords themselves required Laos to disassociate herself from all military alliances, including SEATO, prohibited the introduction of foreign military personnel and civilians performing quasi-military functions (except for a small French training mission), precluded the establishment of any foreign military installations in Laos and forbade the use of Laotian territory to interfere with the internal affairs of another country. Pursuant to this agreement, the Americans and Soviets withdrew their military personnel. The North Vietnamese, however, failed to withdraw most of their 6,500-man force that was then in Laos.

Nevertheless, a relative peace settled over this somnolent "Land of the Million Elephants" for about one year, to be shattered in 1963 by an exchange of assassinations. The non-communist officer Colonel Ketsana was murdered and shortly thereafter the pro-Chinese Foreign Minister Quinini Pholsena was killed. These sparked a renewal of the fighting in Laos, which has raged ever since.

To understand the nature of the hostilities in Laos, one must bear three points in mind. First is the fact that the Laotians are a very peaceful, in some cases indolent, people. Accordingly, they generally make poor soldiers. This is true whether they march, or walk, under the red flag of communism or the white elephant and parasol emblem of the neutralist government. They are no match for the well-trained soldiers of North Vietnam. Until recently, this was evidenced all too frequently by the flight of government forces upon learning that they were facing an opposing force composed of North Vietnamese.

There is one exception to this behavior, however. The 250-300,000 Meo tribesmen (no one knows precisely how many there are) and the other smaller Montagnard tribes come from different stock and have been hardened by centuries of nomadic life, slash-and-burn farming, principally opium poppies, and oppression at the hands of their neighbors, historically the Chinese. Sustained and supported by the U.S. Central Intelligence Agency,

WASHINGTON, D.C.

GAZETTE MAR 29 1971

BI-WEEKLY - CIRC.N-A

Hard Times

JAMES RIDGEWAY

## What do you do with the

## natives?

BY widening the Indochina war Nixon will increase the already vast numbers of civilian war casualties. The people who live in Indochina always have been considered expendable by the U.S., and in this instance, they are simply the price paid for "winding down" the war.

In Laos, which until recently was regarded by U.S. officials as a "manageable" insurgency, as a "relatively modest and low profile conflict," hundreds of thousands of people are refugees. There were 20,000 refugees in 1968 before the bombing began in earnest. Now there are 225,000 refugees, a conservative estimate. In Laos the U.S. pursues a policy of forced population movement, removing thousands of people by plane from the hill villages and resettling them closer to the capital city of Vientiane. Since 1962 about 800,000 people have been turned into refugees. The country's total population is a little over two million.

U.S. Aid supplies help to refugees, but as AID administrator John Hannah freely admitted on television "aid" was a euphemism for supplies provided for the CIA's army of Meo tribesmen in north Laos. The CIA manipulated the Meo tribesmen into a position where they fought the North Vietnamese. As a result the Meo were pretty much obliterated. Ronald J. Rickenbach, a former AID official in Laos, explained to the Kennedy subcommittee on refugees how that took place: "From conception, the Meo 'cause' has simply been an effort on their part to protect their homeland from outside incursion. Their intended purpose: Merely self-preservation. Their concept of freedom is simple. It is one which allows them to pursue their own destiny as dictated by tribal tradition; not one that tied it to any particular contemporary political ideology. To this end the hill people of Laos have historically demonstrated fear and mistrust of all outside influences, especially so of their lowland neighbors, the ethnic Lao and Vietnamese."

As the North Vietnamese moved down through Laos, "their options were limited; accommodate themselves, fight or flee. They could not very well fight without arms and assistance; they could flee, to nowhere as suitable to their way of life than where they were already; or they could accommodate themselves in some peculiar subservient way to the Vietnamese presence, and thereby allow something of a local political

"It is at this critical juncture that the American government's involvement can be traced. In the late 1950's we began to arm, resupply and advise the Meo, and their hill tribe peers, the Lao Theung and the Yao. What resulted was the anti-North Vietnamese guerrilla forces of north Laos. Initially this program was masterminded under the auspices of the U.S. Special Forces 'white star' teams that were attached directly to field units and coordinated guerrilla activities.

"Then after the restrictions placed on overt U.S. military involvement in Laos by the Geneva Accords of 1962, the role of advising the guerrilla forces fell under the operational wing of the CIA. It was also at this time that AID became directly and officially involved with the paramilitary aspects of the program. . . . In the overall sense the Meo have only served the greater interests of U.S. policy. . . . In doing so, the Meo, and the other hill tribe guerrillas became the unwitting pawns of the U.S. government. . . .

"What makes this situation even more distasteful, as I have already mentioned, is that we did so to serve our own interests as much as anything else---to let them fight a war, which was really our war, by proxy. And moreover, to fight and die for the ethnic Lao and Thai who did not feel it was worth doing so for themselves, strange, indeed, since it was their defense that this war was supposedly all about."

There are about 400,000 Meo tribesmen, and half of that total, men, women, children, have been killed in the war. Now that so many of these people have been killed, they aren't much use to us any more. And AID is trying to figure out what to do with them. Here is a memorandum of the U.S. Commission on International Security: " . . . we must recognize that inasmuch as a great measure of the effectiveness of a military

continued

STATINTL

THE DAILY EGYPTIAN Southern Illinois University

19 Feb 1971

STATINTL

## *Jacobini declines debate with SIPC*

By Chuck Hutchcraft  
Daily Egyptian Staff Writer

A half-dozen persons who said they were members of the Southern Illinois Peace Committee (SIPC) Thursday asked H.B. Jacobini, director of the Center for Vietnamese Studies, to give them copies of the Center's first year progress report.

They also asked Jacobini to participate in the debate SIPC has planned for Saturday between some of its members and representatives of the Center.

During what turned out to be somewhat of a debate which lasted all afternoon, the SIPC representatives said they have been unable to obtain copies of the Center's annual review report from the University Archives.

Jacobini then called the University Archivist office which, he said, told him two copies of the report were available.

Kenneth Duckett, University Archivist, was unavailable later for comment.

Jacobini said he refuses to participate in such a debate because he thought the questions concerning the Vietnamese Center have already been answered, and he is waiting for the Blue Ribbon Committee's results concerning the Center.

He spent the entire afternoon discussing the "questions" he said he had already answered.

He reaffirmed his previous statements saying the Vietnamese Center will not deal in technical assistance and denied that the Center has connections with the Central Intelligence Agency (CIA).

He said the Agency for International Development (AID) has, and still could, arrange a contract with the University for technical assistance. But he said the Vietnamese Center will not provide such assistance.

The SIPC representatives said any contract with AID implies the provision of technical assistance and connections with the CIA.

FEBRUARY 10, 1971

STATINTL

JOHN  
CROWN

# Thank God for CIA

LAMENTABLY, it has become the accepted procedure and the "in" thing to attack the activities -- real and imagined -- of the Central Intelligence Agency.

Politicians who tire of that other popular sport -- denigrating the Federal Bureau of Investigation -- can always fall back on attributing all sorts of dark doings to the CIA.

One of our local worthies, in fact, has attributed his brilliant victory in a legal case to the fact that he implicated the CIA and, according to him, the case was dropped to avoid CIA embarrassment. That should be a landmark case for all aspiring lawyers. Get the CIA implicated and success is assured.

WITH THIS approach to the Central Intelligence Agency, the average citizen might well be forgiven if he gets the idea that the deadliest enemy facing the United States is something called the CIA. It is an organization that is often villified and rarely praised.

Yet it we did not have it -- or something identical -- our security and our world position would be in a sorry state, if indeed, we existed at all.

The Central Intelligence Agency came into being in 1947 during the Democratic administration of President Harry Truman. It came into being in recognition that the United States and the Soviet Union were the dominant powers in a world that was a jungle and would become progressively more so. No longer was the United States one of an assortment of seven or more "first rate" powers. As the leader of the Western world our global

responsibilities were awesome, as they still remain.

Therefore we could no longer blithely move about in such a world with such responsibilities in the naive hope that all would turn out well. No

*No longer can we go on the courtly premise that one gentleman doesn't read another gentleman's mail.*

longer could we go on the courtly premise that one gentleman doesn't read another gentleman's mail.

BEING AN open and free society, our operating a covert intelligence organization is not a welcome one to many of us. But it is a choice between being dainty and being realistic. Fortunately the choice was for realism and the Central Intelligence Agency was organized as an arm of government.

As noted earlier, there are those who find great rewards in attacking the CIA. They vary. There are those dreamy-eyed idealists who believe if we were to destroy all our weapons, the magnificent gesture of such an act would lead the remainder of the world to follow suit. At the other extreme there are those who find it to the interests they serve to keep both the CIA and the FBI under constant attack.

And in between those two extremes we have different individuals and different groups who are opposed in varying measures of intensity and for varying reasons to the existence of the CIA.

RECENTLY Sen. Clifford Case of New Jersey saw fit to raise his arms in holy horror (or feignedly so) because the CIA was funding Radio Free Europe.

I fail to see the cause for alarm.

Consider the purpose of Radio Free Europe. Consider what it accomplishes. I can see a connection between it and the CIA -- and justifiably so. And I can see where Radio Free Europe serves a larger purpose. Sen. Case must have been hard pushed to get a headline, and experience shows that any senator can get a headline by blasting the CIA.

Consider the plight of poor Teddy Kennedy. After exuding confidence and optimism that he would be re-elected Senate majority whip, the senior senator from Massachusetts went down in abject defeat. So how do you get a headline and divert attention from such ignominy?

You attack the CIA, that's how, and that is what Teddy did recently. With righteous anger (or feignedly so) he accused the CIA of diverting relief money for refugees in Laos to forces fighting the Communist invaders. Bravo!

BECAUSE the CIA of necessity engages in covert operations, it is relatively simple for politicians and lawyers to accuse the CIA of virtually anything they wish. For the CIA to either confirm or deny such accusations could place the organization in a dangerous position. Its operations are of such a delicate nature that it cannot afford to take public stands.

And for my part, I'm overjoyed we have the CIA. Thank God for it.

9 FEB 1971

# North Viet Troops Buy Rice From High Laotian Officials

By TAMMY ARBUCKLE  
Special to The Star

VIENTIANE —The South Vietnamese incursion into the Ho Chi Minh Trail area near Sapan in the north sector of the Laos panhandle will not cut off the North Vietnamese from food supplies, well informed American sources here say.

This is because between 7,000 and 10,000 tons of rice are being

sold to the Communists by Lao officials further south in the panhandle, disgusted Americans say. This is enough rice to supply one North Vietnamese division with food for one year, sources calculate. The rice is surplus produce from Laos' 4th Military Region around Pakse.

Sources allege Prince Boun Oum himself, the traditional rightist ruler in the area, may

be implicated and named one of his associates, Boun Lieng, and the commander of the garrison at Pakse town on the Bolovens Plateau, Gen. Kong Vengnarat, as likely involved in the sales to the Reds.

Meanwhile, another case of corruption in the Lao military has come to light. This case led to the fall of Muong Soui, the

neutralist position near the Plain of Jars which was overrun by the Communists two weeks ago.

U.S. sources say the neutralists at Vang Vieng base, 60 miles north of here, refused to reinforce Muong Soui because they had no winter clothing for the bitterly cold Plain of Jars area.

The American Requirements Office, however, had issued warm clothing in Vang Vieng. The Americans say the neutralist officers sold the warm clothing to the local population.

"We should have issued the clothing in Muong Soui," a requirements officer said ruefully.

Rice is gathered in various places on the western slopes of the Bolovens Plateau near Pakse. From there, it is transported by three-wheeled Lambretta trucks to Pakse.

Rice is hidden in forest caches north of Pakse to be picked up by Communists, sources allege.

Other surplus rice along with fish sauce is taken from southern Laos villages.

Americans say the U.S. Agency for International Development in Vientiane is well aware of the rice sales but unable to do much because high ranking people are involved.

The AID people, in an effort to stop the traffic, offered to buy the rice surplus at \$18 per ton, \$18 more than the usual price to cover rice delivery from Pakse to rice-short northern Laos.

AID planned to use the rice to feed CIA-supported guerrillas and tribal refugees in northern Laos.

However, Pakse officials and

merchants tried to make a double profit. They continued to sell the Pakse surplus to the enemy and at the same time purchased cheap rice in northeast Thailand, eliminating the delivery costs while getting the high price of \$18 per ton from AID, passing off the Thai rice as surplus from the south.

The scheme came apart when AID was informed of the plot in an anonymous letter.

Americans say these rice sales to the Reds have helped save the Lao positions from Communist attack.

They point to the record of Gen. Kong Mong was commander of Attapeu, a province capital close to the Ho Chi Minh Trail, till it fell to the Reds last year.

Sources believe Attapeu survived for many years because the Reds were getting batteries and medical supplies from the Attapeu military.

When Attapeu fell, Kong and Attapeu officials were warned by bullhorn by the Pathet Lao of a free escape route through Red lines and Kong's units survived with few casualties.

Another freshly arrived Lao unit did not benefit from the

warning and took 93 dead.

This led some Americans to believe that Kong was allowed to escape because of his commercial dealings.

Military Region 4 Commander Gen. Phasouk, close Lao associates say, is aware of the rice traffic but he believes Kong is less greedy than other general officers, therefore as long as he remains in his post less rice will reach the enemy than might be the case.

Middle level American officials apparently are tired of the dealings, however. They fail to see why U.S.-supported officials more interested in money, should get away with feeding Hanoi troops who almost certainly will be engaged against U.S. troops in South Vietnam.

Although the Americans know what's going on, they say there's little proof.

Gen. Phasouk forbids Americans to travel on Pakse Road, claiming it is insecure.

Pakse Road, however, has been hit only once in the past two years by the Reds and some Americans believe the Lao don't want U.S. AID officials to see the rice traffic.

# CIA Said To Misuse Aid To Lao Civilians

## Senate Panel Reports \$25 Million In Supplies For Refugees Given To Private Armies

By GENE OISHI  
Washington Bureau of The Sun

Washington, Feb. 6--A Senate subcommittee reported today that nearly half of the materials provided for programs to aid refugees and civilian casualties in Laos are being siphoned off by the Central Intelligence Agency for paramilitary operations.

Senator Edward M. Kennedy (D., Mass.), the subcommittee's chairman, said the disclosure was based on two classified reports prepared by the General Accounting Office, the investigative agency for Congress.

### "Sanitized Summary"

While these reports themselves cannot be made public, he said, they confirm findings made independently by the subcommittee's staff. What was released today was described as a "heavily sanitized summary" of the two classified reports.

During the last four years, according to the summary, the United States Agency for International Development has spent about \$31.8 million on refugee programs in Laos.

But according to the General Accounting Office studies, Senator Kennedy said, about 46 per cent, or more than \$25 million worth of the materials provided—such as food, clothing and medicine—have gone to CIA-sponsored guerrilla armies, composed mainly of Meo and Lao Tzuang tribesmen.

Asked why the CIA could not give direct aid to the anti-Communist guerrilla armies instead

of using AID resources, Senator Kennedy said he surmised that it was to avoid an open violation of the 1962 Geneva accords, which bans U.S. military involvement in Laos.

He was, however, critical of the "cynicism" with which the administration comes to Congress to ask for funds to aid refugees and other-war victims, knowing that half of it would be used for the war effort.

Harold Levin, chief of the Laos desk at AID headquarters here, confirmed that a substantial portion of AID resources in Laos goes to paramilitary forces and their dependents.

### Not To Discriminate

He said this program was administered by AID officials, but declined to discuss the extent of CIA involvement. The policy of AID, he said, is not to discriminate against those who need help because they have been engaged in fighting or may again be engaged in fighting.

Mr. Levin also acknowledged that aid is given to forces actively engaged in fighting, but noted that many of these irregular troops have dependents who have been driven from their homes and can be considered as refugees.

Mr. Levin, however, said he could not confirm the estimate that nearly 50 per cent of the AID resources went to paramilitary forces and their dependents, without a detailed study of

the accounting office reports. His own guess, he said, would be about 30 per cent.

### No Fault With Estimate

He found no fault with the subcommittee's estimate that of the total refugee caseload of 230,000, about 45 per cent, or more than 100,000 persons, are in the paramilitary forces or their dependents category. But he said this percentage has fluctuated widely over the years.

Without giving his own views on the subject, Mr. Levin said there has been continuing discussion among various agencies as to who should bear the cost of the various aspects of U.S. activities in Laos.

Senator Kennedy said he was of the view that funds appropriated by Congress to further humanitarian objectives ought not to be used to support military activities.

### Might Be Misleading

The subcommittee's staff also notes that budgetary descriptions do not suggest any military implications, and thus might be misleading.

The categories of costs include "refugee relief and resettlement," "air technical support," "public health development," and "PL-480 commodities," more commonly known as the "Food for Peace" program.

The "air technical support" is actually AID's contribution to Air America, a CIA-sponsored organization used in Laos to make deliveries of ammunition, weapons, food and relief supplies to guerrilla forces and refugees.

### Too Small

Senator Kennedy also said that even without the diversion of relief materials to military activities, the U.S. aid programs would be too small to cope with the mounting number of war casualties and refugees.

As of last fall, he said, refugees in Laos numbered around 230,000, but "this is going to escalate dramatically due to the activities of the last few days."

Civilian war casualties over the last two years, he said, totaled 30,000, including an estimated 9,000 deaths.

The accounting office, according to the subcommittee's summary, found that the death rate at several refugee centers ex-

ceeded AID standards by as much as 230 per cent. AID, it was noted, established a maximum mortality level for refugees, and if the level is exceeded, remedial measures are supposed to be taken.

### Accounting Office

But until the accounting office made inquiries, the summary said, the U.S. mission in Vientiane was not aware of the high death rates in the refugee centers.

The actual death rate among refugees in Laos, however, was not disclosed. The subcommittee's staff said this information was classified by the U.S. mission in Vientiane.

The accounting office's report also was critical of what it termed shabby management of AID programs and overcrowded and unsanitary conditions at AID-sponsored hospitals in Laos, the subcommittee said.

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## LAOS REFUGEE AID USED BY CIA, TED CHARGES

## N. Viet's Strike Allied Forces

By DREW F. STEIS

NY Washington Bureau

WASHINGTON — Almost 50 per cent of the multi-million dollar aid to Laotian refugees is being diverted by the Central Intelligence Agency (CIA) for military purposes, Sen. Edward M. Kennedy charged Friday.

The senator, in releasing what he called "heavily sanitized" reports on Laotian relief efforts prepared by the General Accounting Office (GAO), also disclosed that in the last two years in Laos 30,000 civilians have been killed or wounded and 232,000 have been left homeless.

"Laos has been the only place where we have found almost a 50 per cent drain off from AID (Aid for International Development) program for military activities," said Kennedy who, as chairman of the subcommittee on refugees, has commissioned four government investigations of AID programs in Southeast Asia.

Kennedy, who briefed newsmen in his office last Friday on the contents of the report, said the U.S. aid program serves "as a principle cover" for significant amounts of assistance to Laotian military and paramilitary units and their dependents.

"For example," Kennedy said, "nearly 50 per cent of funds allocated to the AID village health program are being used to support CIA military activities."

Although the portions of the GAO report dealing with AID to Laotian military forces were classified and not released to the press, Kennedy said the classified sections "fully document and support the subcommittee's independent findings based on field study and additional investigation not involving official government sources."

Kennedy said his subcommittee's investigation showed that AID began supporting Laos military activities "as early as 1953" and included "direct military and logistical support."

A spokesman for AID in Washington refused to comment on the senator's

charges Friday and said his office had not seen the report.

A staff member of the refugee subcommittee said the AID budget for public health development in 1970 was \$3.1 million of which \$1.7 million was diverted to CIA use in maintaining Laotian military forces.

"We are going to try to insist that AID alter and change its policy to give civilians more aid and assistance," Kennedy said.

The GAO report also was severely critical of the management, staffing and conditions at existing health facilities in Laos.

INVESTIGATORS REPORTED finding overcrowded, dirty and inadequate sanitary facilities at Site 272, a hospital near the Plain of Jars which is the main AID health facility in Laos.

"This hospital consisted of three wards of open huts without screens," the GAO report stated. "Cots were used for beds. There were no mattresses or sheets, and patients were in their dirty street clothes. The wards were dirty and the general condition of this hospital seemed, even by Laotian standards, considerably substandard."

KENNEDY SAID he could not estimate how much financial aid would be necessary to correct conditions within the AID program in Laos. He added that the budget for all AID programs in Laos in fiscal 1972 was \$17.1 million but, because of diverted funds from health to military outlays, it was difficult to determine how much was actually being spent on health services.

"I think this is the primary support for the Laotian (military)," Kennedy told newsmen.

"The war in Southeast Asia has escalated dramatically in the last few days in terms of the bombings and I feel the refugees, in terms of casualties, are also going to escalate dramatically."

# Senator Edward M. Kennedy of Massachusetts

## SENATOR KENNEDY RELEASES GAO REPORTS ON LAOS AND COMMENTS ON WAR RELATED CIVILIAN PROBLEMS IN INDOCHINA

HOLD FOR RELEASE:  
Sunday, February 7, 1971

Senator Edward M. Kennedy, Chairman of the Judiciary Subcommittee on Refugees, today released heavily "sanitized" summaries of two classified reports on war victims in Laos prepared by the General Accounting Office (GAO), the independent investigating agency of Congress.

The GAO reports are the last released in a series of studies on war-related civilian problems in Vietnam and Laos, requested by Senator Kennedy. The reports are part of the Subcommittee's continuing effort since 1965 to document these basically humanitarian problems, and upgrade official priority and concern for civilian suffering and needed relief programs.

The findings released today are severely critical of U.S. sponsored programs for refugees and civilian war casualties in Laos. The findings charge --

- that official statistics on war victims and other data are "incomplete" and "of doubtful validity" -- the problems are much more serious than officially stated;
- that AID humanitarian programs for war victims apparently still serve as a principle "cover" for significant amounts of assistance to Lao military and paramilitary units and their dependents -- for example, nearly 50 percent of funds allocated to the AID Village Health Program are being used to support CIA military activities;
- that because of sloppy management and lack of records AID "cannot state with any degree of assurance" that US assistance "has been accomplished as effectively, efficiently, and economically as the situation in Laos permits" -- the situation has led to such things as the "wholesale diversion of drugs";

# Kennedy Says Laos Aid Goes to CIA's Forces

Exclusive to The Times, from the Washington Post

WASHINGTON — Sen. Edward M. Kennedy (D-Mass.) charged Saturday that nearly half of all American aid for war refugees in Laos is being supplied to guerrilla forces directed by the Central Intelligence Agency.

Since 1968 the Agency for International Development has allotted \$54.8 million to Laos for refugee relief. These are funds for medical supplies, hospitals, resettlement and other supplies and services. "Until recent times,"

Kennedy said, "the U.S. Aid refugee program was simply a euphemism to cover American assistance to persons who agreed to take up arms against the Pathet Lao."

He said that a "very significant measure of this assistance apparently continues."

AID administrator John A. Hannah publicly admitted in June that when he took office that he was unhappy to find that since

1962 CIA agents were using the civilian agency as a cover for their operations. Hannah said "our preference is to get rid of this operation."

Kennedy said some of the financing has been transferred to the Defense Department in the last two or three years. But Kennedy's Senate Judiciary subcommittee on refugees made public censored versions of General Accounting Office reports with summaries indicating continued assistance to CIA-directed forces.

The subcommittee report said that although "AID officials generally recognize that economic assistance funds should not be used as a cover to finance military activities, AID has apparently continued to furnish substantial amounts of medical supplies to Lao military, et al."

The report estimated that half of the funds going to the AID village health project, which has received \$9.4 million between 1961 and 1970, is being used for this purpose.

An AID spokesman said "AID does not exclude from assistance those who have been or may in future be engaged in fighting against North Vietnamese or Communist Pathet Lao."

STATINTL

## U.S. Refugee Aid in Laos Found to Help Guerrillas

By JOHN W. FINNEY

WASHINGTON, Feb. 6.—The General Accounting Office has concluded that much of the money allocated for assisting refugees has been used to finance paramilitary operations in Laos directed by the Central Intelligence Agency.

The accounting office, which controls the disbursement of public funds, said that almost half the funds of the Agency for International Development for a village health program were being used to support military activities.

Two censored reports by the watchdog body were made public today by Senator Edward M. Kennedy of Massachusetts in his capacity as chairman of the Senate Judiciary Subcommittee on Refugees.

The reports were critical of the management of programs for assisting refugees and civilian war casualties in Laos.

The accounting office said official statistics on war victims in Laos were incomplete. From 1967 through 1969, the aid agency reported 12,032 civilian war casualties. The subcommittee said there had been 30,000 casualties since early 1969.

Refugee programs were said to have been poorly managed,

with the aid mission in Vientiane relegating responsibility largely to the field.

The accounting office said medical drugs supplied for refugees disappeared when they were shipped to Laos.

Refugee villages were found to be overcrowded, congested, water supplies and health facilities. The mortality rate in the villages was said to be high, in some cases 250 per cent above standards set by the aid agency.

### Funds Used as Cover

In the opinion of the subcommittee staff, the reports for the first time provided official documentation of the extent to which refugee programs had been used as a cover by the C.I.A. for financing its military activities.

At the direction of the White House, the Central Intelligence Agency has been supporting a 30,000-man guerrilla army of Meo and Yao tribesmen against the Pathet Lao and North Vietnamese forces in northern Laos. As part of this program, refugee support has been given to the dependents of the guerrillas.

Responding to the reports,

a spokesman for aid headquarters said the primary responsibility for refugee relief rested with the Laotian Government. He acknowledged that some assistance went to guerrilla forces, but said that a larger percentage was given to dependents.

The sections in the reports dealing with assistance to the guerrillas were censored. But the subcommittee said in a statement that the reports documented its earlier findings that "until relatively recent times the refugee program was simply a euphemism to cover

American assistance to persons who agreed to take up arms against the Pathet Lao."

In the last fiscal year, \$17-million was provided for refugee assistance in Laos. At a news conference Senator Kennedy said about 50 per cent had been used for guerrilla operations in Laos.

As of July, 1970, there were 279 villages with more than 280,000 persons receiving refugee assistance. Of this total, some 45 per cent, or well over 100,000 persons, were estimated by the subcommittee to be in the category of guerrillas and their dependents.

## Kennedy: Aid Goes to CIA Forces

Sen. Edward M. Kennedy (D-Mass.) charged yesterday that nearly half of all American aid for war refugees is being supplied to guerrilla forces directed by the Central Intelligence Agency.

Since 1963 the Agency for International Development has allotted \$54.8 million to Laos for refugee relief. These are funds for medical supplies, hospitals, resettlement and other supplies and services. "Until recent times," Kennedy said, "the U.S. AID refugee program was simply a euphemism to cover American assistance to persons, who agreed to take up arms against the Pathet Lao."

"A very significant measure of this assistance apparently continues," Kennedy said.

AID Administrator John A. Hannah publicly admitted last June that when he took office he was unhappy to find that since 1963 CIA agents were using the civilian agency as a cover for their operations. Hannah said, "Our preference is to get rid of this operation."

Kennedy said some of the financing has been transferred to the Defense Department in the last two or three years. But Kennedy's Senate Judiciary Subcommittee on Refugees made public censored versions of General Accounting Office reports with summaries indicating continued assistance to CIA-directed forces.

The subcommittee report said that while "AID officials generally recognize that economic assistance funds should not be used as a cover to finance military activities, AID has apparently continued to furnish substantial amounts of medical supplies to Lao military, et al." The report estimated that half of the funds currently going to the AID Village Health Project, which has received \$9.4 million between 1961 and 1970, is being used for this purpose.

An AID spokesman said that AID does not exclude from assistance those who have been or may in future be engaged in fighting against North Vietnamese or Communist Pathet Lao. The spokesman said, "A relatively small percentage of refugees are irregular or paramilitary forces who, because they have been displaced and are needy, are therefore as much refugees as other Lao who have not been engaged in the fighting. A larger percentage of the total are dependents of such people."

STATINTL

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# Kennedy Charges CIA Gets Laos Relief Funds

By JAMES DOYLE  
Star Staff Writer

About half the money Congress appropriates for refugee programs in Laos is diverted to Central Intelligence Agency-directed paramilitary operations in that neutral country, Sen. Edward M. Kennedy, D-Mass., charged yesterday.

Kennedy said a General Accounting Office report, most of it classified secret, has confirmed findings of an independent study team he sent to Laos to investigate the refugee program.

The report apparently details for the first time how Agency for International Development funds are used to support Meo and Yao tribesmen who roam through northern Laos and sometimes cross the borders into North Vietnam and Laos to conduct clandestine operations.

The arm's existence and some of its activities have been public knowledge for some time, and AID Director John A. Hannah confirmed in June that CIA agents used the Laos AID mission as a cover in order to operate freely in that country.

Laos was declared neutral by a 1952 Geneva Convention in which the United States and the Soviet Union were parties.

But the GAO report marks the first disclosure by a government agency that U.S. foreign aid money is sometimes diverted to CIA operations.

A heavily censored version of the report was made public yesterday by Kennedy, chairman of the Senate subcommittee on refugee relief, which had requested the GAO investigation.

## Calls Findings Supported

The GAO is an independent investigative agency responsible to Congress, not the executive branch. The CIA reportedly tried to stop the GAO inquiry.

The censored report gives no details of the joint operation by AID and CIA. But Kennedy, in releasing it, said portions classified "secret" support independent findings of his staff investigators, Dale S. DeHaan and Jerry M. Tinker.

Kennedy estimated that in the past four years more than \$27.4 million in food, drugs and other aid has been channeled from refugee programs to "Laos military" operations.

tary units and their dependents."

Kennedy said that in the last fiscal year AID had provided \$17 million for Laos refugee assistance. He estimated that half had gone for the CIA's "paramilitary" programs.

The AID Village Health Program has received about \$10 million since 1961. Kennedy said half of that was used for medical assistance to military units and their dependents.

## Will Seek Action

"AID is aware of it and tolerates it," Kennedy said. "They are not very happy about it, but they continue it." He said he would seek congressional action to stop it.

The Central Intelligence Agency is funded by Congress through a secret process. Senior members of the Armed Services committees and the Defense Appropriations committees hold secret budget hearings with the agency's top men, and then approve funds which are hidden in the appropriations of other programs and other agencies. It is not known whether records of the meetings are kept.

It has always been presumed that CIA money was hidden in the massive defense budget, since that would be the easiest place to mask funds. Books on the CIA have suggested that Congress has always been generous to the agency.

Although the American aid program throughout the world has often been accused by hostile countries of being a CIA cover, AID directors have stoutly denied it and attempted to keep foreign operations above suspicion.

## 38 Stationed in Laos

The State Department lists 38 AID officials stationed in Laos, an unusually high number for that small country. It has been widely reported that the "rural development section" of the AID mission was almost exclusively a cover operation for intelligence agents there to recruit and train pro-government guerrillas.

AID Director Hannah said last June, "We have had people that have been associated with the CIA and doing things in Laos that were believed to be in the national interest but not routine AID operations." He said of the three Laos AID offices, "The only place in the world where that is true."

statements, an AID spokesman said "a relatively small percentage of refugees are irregular or paramilitary forces who, because they have been displaced and are needy, are therefore as much refugees as other Lao who have not engaged in fighting."

He said a much larger percentage consists of dependents of those fighting men, who also have been displaced.

But Kennedy took a different view. He said he believes the AID program has been used as the primary source of money for the irregular Lao forces.

The funds are siphoned not just from the refugee program, he said, but from public health, agricultural, economic and technical projects, and from the "Food for Peace" program.

The refugee program apparently is actually run by four agencies jointly, The Department of Defense, the Royal Lao government, the CIA and AID.

## Cites Special Interest

The CIA apparently has funded parts of the program from its own money, pointing out its special interest in the program.

One of the few western newsmen stationed in Laos, Tammy Arbuckle of the Washington Star, has detailed the operations of what he has called "the American directed secret army" which he reports operates throughout Southeast Asia.

In Laos the secret army has wiped out Communist headquarters and taken over prison camps and rescued inmates, Arbuckle reports.

Its leader is Gen. Vang Pao and its troops are mostly Meo tribesmen, although some Thais also are included.

The Meos have been active roving the Plain of Jars and intercepting North Vietnamese men and supplies attempting to use the plain for infiltration south, Arbuckle has reported.

## Directed by Mann

The director of AID in Laos is Charles Mann, who directed the AID mission in Vietnam until a few years ago. His program there came under fire because of inefficiencies in the Port of Saigon and he was transferred.

Besides heading the Laos program, Mann is said to be heading a de facto AID program in Cambodia.

The GAO report is said to have indicated that AID headquarters in Washington appears to have made no effort

Sources on the Senate refugee subcommittee expressed the fear that similar abuses would develop in Cambodia. The State Department is said to have told the committee that there is at present no refugee problem in Cambodia, despite the war and the heavy bombing in recent weeks.

Kennedy said the cost of the entire Laos AID program is less than the cost of two days of bombing sorties when American B52s are operating at a peak in Laos.

"After they are finished siphoning off money, they spend about as much on the refugees as on one day's bombs," he said.

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## Chew Well Before Swallowing

Legal it may be, within the narrowest interpretation of that word. But the practice of converting Food for Peace dollars into military assistance—to the tune of nearly 700 million dollars over the last six years—has been deceiving to say the least. The revelation this week in testimony before a committee of the U. S. House can only cast a new taint of misrepresentation over this country's aid-giving activities abroad.

For years, tinhorn propagandists kept claiming that U. S. foreign aid was a cover for operations of the Central Intelligence agency. Fatent nonsense! Then, lo and behold, last year it turned out that the charge in at least one case—the aid program in Laos—had an element of truth.

Now it will be heard that the Food for Peace program, intended both to relieve U. S. farm surpluses while putting food in the mouths of needy peoples, has been a guise for supplying military goods instead. In his committee testimony John N. Irwin, undersecretary of state, saw no fault in the system. The way the program works, countries pay for American food-stuffs in their own currencies, then are given dollar credits for the procurement of other goods in this country. As Irwin pointed out, there is nothing in the fine print that says they can't buy military supplies.

We do not always agree with Sen. George McGovern (D-S. D.), but we will have to share his astonishment and regret at this bit of paper manipulation. McGovern said he deplored "even the slightest hint of a connection" between military aid and this partly humanitarian program of which he was the first director. We deplore it for two reasons.

First, Congress, whatever its wisdom, is charged with voting funding levels for aid, including military aid. And Congress has a right to expect that the bureaucrats will not juggle the books behind its back. Second, and perhaps more important, those well-motivated Americans who believe in foreign aid in principle have a right to know that their efforts and their conviction will not be undermined by such crashingly bone-headed blunders as this.

Whoever conceived or even tacitly sanctioned the practice of converting food into military aid deserves to be called on the carpet—and then have the carpet pulled out from under him.